

The Registered Company Number is:- 03059425

The Registered Charity Number is England & Wales 1046854 Scotland SC037596



Roy Castle Lung Cancer Foundation

Report and Accounts

31 December 2019

Roy Castle Lung Cancer Foundation

Report and accounts

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**Roy Castle Lung Cancer Foundation
Trustees' Consolidated Annual Report for the year ended 31 December 2019**

Reference and administrative details

Charity numbers: England & Wales 1046854 Scotland SC037596
Company number: 03059425
Registered Principal Office: Cotton Exchange Building
Old Hall Street, Liverpool, L3 9LQ

Directors and Trustees

The directors of the charitable company (the Charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year end were as follows:

Chairman: Max Steinberg CBE
Founder and President: Professor Raymund J Donnelly MBE FRCS
Treasurer and Vice Chair: Euan Imrie

James E Couton
David Gilligan
David Maples Resigned 28 August 2019
Anthony Coombs
Andrew Grange
Alison Lobb
Joanne Cranwell Resigned 27 June 2019
Alyson Chadwick
Mandee Lucas Appointed 30 April 2019
Alastair Machray Appointed 30 April 2019

Company secretary

Paula Chadwick

Senior Management Team

Chief Executive: Paula Chadwick
Deputy Chief Executive/Finance Director
& Director of Retail and Fundraising: Mike Grundy
Medical Director: Dr Jesme Fox
Prevention, Information & Support: Lorraine Dallas
Marketing & Communications: Rachel Avery

Professional Advisers

Auditors: RSM UK Audit LLP
14th Floor
20 Chapel Street
Liverpool
L3 9AG

Bankers: Barclays Bank plc
Liverpool City Business Centre,
Lord Street
Liverpool
L2 1TD

Investment: Rathbones
Port of Liverpool Buildings
Pier Head
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L3 1NW

Solicitors: Brabners Chaffe Street
Horton House
Exchange Flags
Liverpool
L2 3YL

Jackson Lees
44/45 Hamilton Square
Birkenhead
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Foreword by the Chief Executive of Roy Castle Lung Cancer Foundation

Welcome to our Annual Trustees' Report on our activities throughout 2019. Our charity works for the benefit of lung cancer patients, their families, friends and carers, and everyone affected by this disease.

Ours is the only UK charity wholly dedicated to defeating all types of lung cancer. We take this responsibility very seriously because Lung cancer is the UK's biggest cancer killer in both men and women. Each year it kills almost 36,000 people, [1] which is more than the number killed by breast, pancreatic and prostate cancers combined!

To address this, our charity has a dual function: saving lives and supporting people living with lung cancer.

This is why we focus on the certain key areas of activity that we do.

Saving lives through:

- Research
- Prevention, Support for people seeking to stop using tobacco products, and Information
- The promotion of early detection and screening programmes

Supporting people living with lung cancer by means of

- Information and Support Services

These activities are not separate and unrelated.

- Our research activities add to the store of information helping patients and their families to better understand the disease and its implications for their lives.
- Our research into early detection links to our crucial work on screening.
- Our Information Centre staff create and update high-quality data-led and patient-reviewed collateral such as leaflets and online content, aided by input from research and prevention projects.
- Our support services include a nurse-led helpline and online forum, as well as patient grants; feedback from these informs and refreshes our information collateral.

While the overall economic climate continued to set challenges for the charity throughout 2019, we delivered a strong and successful year during which we raised £4,805,338[2] and spent £4,815,615 [3] to support these activities, of which over £2m [4] was spent directly on the charitable activities mentioned.

Highlights of our year include:

- Spending over £1,100,961 [5] on high-quality research projects which give researchers the opportunity to test a hypothesis and provide results to establish promising lines of enquiry. We have seen exciting results regarding early detection and screening.
- Funding the continuation of our early detection 'Lung Health MoT' project in Nottingham. Since the programme started it has now scanned over 300 [6] people and as well as identifying cases of lung cancer the programme has identified various other respiratory illnesses.

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- Our Communications and Marketing department has again made a significant impact on the lung cancer environment with its *#followmylead* campaign for Lung Cancer Awareness Month and dramatic improvements in marketing support for our fundraising activities.

We are particularly grateful to the patients and their families who gave so freely of themselves to make this campaign such a success. We continue to find fresh ways to ensure that lung cancer remains high on the public agenda.

Your donations are the key to our continued success. By investing in our work, you help people whose needs have too often been overlooked. By supporting those living with lung cancer and helping our young people in their efforts to avoid smoking, you are improving the nation's health; both now and for years to come.

I would like to place on record my gratitude to all who help us in our work. In particular, I'd like to thank the volunteers and supporters who raise funds for us, those who help at our various events and activities throughout the year, and also those who offer their services to work alongside our professional staff in our retail shops; without their efforts, we could not deliver our objectives.

From people who run marathons, or tackle daunting challenge activities, to those who volunteer their time in our shops, or those who campaign tirelessly to improve the outcome for lung cancer patients and their families – these efforts help us fund world class research projects.

These projects could help us detect lung cancer at the earliest stage when it is possible to treat and cure, which would mean countless lives are saved. There are more details of this work later in this Report.

So, we thank each and every one of these people for their selfless generosity. Thank you for every cake, every run, every walk, every rhumba and every collection bucket filled with coins and notes.

Thank you for giving your time, for giving every month, for giving your hearts and for giving hope.

To deliver on our mission, we must grow.

These are exciting times. We have plans for further projects to help detect lung cancer earlier. We are seeing the emergence of new therapies to treat more patients. Above all, we are seeing lung cancer and lung cancer patients achieving a much higher public profile. The mainstream UK media are taking notice of the disease in a positive and measured way. This is helping us challenge the stigma that clings to lung cancer and so often adds to the burden for patients and their loved ones.

As their advocates, their voice, we are proud to represent patients in the decision-making processes of both the National Institute for Health and Care Excellence (NICE) and the Scottish Medicines Consortium (SMC), the bodies responsible for recommending the use of new medicines and treatments within the NHS.

The overall picture for lung cancer is improving and we thank each and every one of you for helping to make that happen. The charity is proud to be at the heart of these improvements.

I hope that, like me, you will be inspired by our plans to help people affected by lung cancer to lead longer, better and happier lives.

We cannot - we will not - pause in our commitment to furthering those improvements because we firmly believe that everyone affected by lung cancer should be able to expect better.



Paula Chadwick

Who We Are

The Roy Castle Lung Cancer Foundation Company Number 03059425 (the Foundation) is a company limited by guarantee governed by its Memorandum and Articles of Association last amended 31st January 2011. The company is registered as a charity with both the Charity Commission in England and Wales (1046854) and the Office of the Scottish Charity Regulator (SC037596).

We exist to raise funds and receive donations for the benefit of lung cancer patients and all affected by the disease. By securing donations, legacies and sponsorship, the charity can make a real difference for patients, their families and those who look after them.

By engaging with thousands of people each year, we have established the charity as the first-call information and support resource for those diagnosed with lung cancer, their families and carers. Our aim is to be the properly representative 'voice' of lung cancer patients in dealing with all areas of health care policy and provision, as well as providing reliable, first-class information and support services.

We would like you to support us in our crucial work so please read on and let us tell you more about ourselves, what we do, what we have achieved and how we go about spending the money so kindly given to us.

Our mission

As mentioned by our chief executive in her introduction, *the charity has a dual focus: saving lives and supporting people living with lung cancer.*

To do this, we promote and fund research into the causes, prevention and treatment of lung cancer, we develop and support health promotion programs designed to prevent the onset of lung cancer, and we provide amenities to improve the quality of life of patients and their relatives.

In raising new money and by careful management of our existing funds, the charity provides a public benefit by addressing unmet needs. We do this by making grants to serve lung cancer patients and their families receiving services, by funding research, and by our associated information, support and prevention services.

The trustees confirm that they have paid due regard to the public benefit guidance published by the Charity Commission and Office of the Scottish Charity Regulator. The Foundation refers to the public benefit guidance when reviewing and setting its aims and objectives and in future planning.

When considering where to focus our attention, our corporate trustees' board and particularly the members of the charity's research funding committee have regard to the Charity Commission's guidance on public benefit and what this means for our charity.

What We Do

Early Detection and Lung Cancer

The big news story of 2019! At the end of 2017 NHS England announced the roll out of 'Lung Health Check' in England and 2019 has seen the first stages of implementation of the roll out to the 10 sites in 14 Clinical Commissioning Group (CCG) areas. Around £70m [7] has been earmarked for this work and the Roy Castle Lung Cancer Foundation has been very much involved and at the heart of many of the recommendations.

Our Comms and Lung Cancer Information and Support teams are supporting community engagement. Dr Jesme Fox is a member of the NHSE Task and Finish Group with oversight of implementation and the Lung Cancer Clinical Expert Group Sub-Group on Screening (secretariat provided by RCLCF) is the Clinical Advisory Group for the work.

At the same time in Wales a Clinical Lead for Lung Health Check and a Program Manager have been appointed to scope out the potential for Lung Health Check in Wales and in Scotland the Roy Castle Lung Cancer Foundation brought together interested clinicians in Scotland, with a view to creating a clinical expert group, advising on implementing lung cancer screening in Scotland. This grouping has the potential to move the agenda forward in 2020.

Implementation of a National Lung Cancer Screening Program remains our key objective. Data from the NELSON study was presented at the World Lung Cancer Conference in Toronto (October 2018). This large study, undertaken in the Netherlands and Belgium, showed a 26% reduction in mortality from lung cancer in the CT screened arm of the study. Screening people at high risk of lung cancer, with CT, works! However, we still await the publication of the data – imminent at the time of writing this update. This data is needed for the National Screening Committee to make a recommendation on a National Lung Cancer Screening Program. In the meantime, we are supportive of the Lung Health Check pilots and roll out program (England). During 2019, the two large Lung Cancer Screening Research Projects have continued to recruit in Yorkshire and in North London. The pilot Lung Health Check sites in Liverpool, Manchester and with ours, in Nottingham, have continued.

We are also part of an ambitious research proposal which has been approved for funding by Innovate UK. The project title is the Integration and Analysis of Data using Artificial Intelligence to Improve Patient Outcomes with Thoracic Diseases (DART). This will be a 3 year project, commencing January 2020, led by Oxford University with partner organisations – Royal Brompton, GE Healthcare. Roche Diagnostics' Optellium. Nottingham University, Royal Marsden and the Roy Castle Lung Cancer Foundation. Our input is to give the patient/user perspective, within the organising group.

RCLCF funded Nottingham 'Lung Health Check' project

In partnership with Public Health Nottingham, RCLCF has funded the roll out of Phase 2 and 3 of this project across 14 GP practices. Phase 3 has now concluded recruitment. [6]

In summary the project to the end of 2019 had scanned 334 people and the findings across the three phases of this project have resulted in 33 people being referred on to the Lung Cancer Pathway, 58 people being referred onto the Nodule Pathway and 88 other incidental findings. Significantly, 60% of the lung cancer diagnosis were at stage 1, which is significantly better and significantly earlier than the national level and indicates the worth that a national screening programme would have in enabling better outcomes for patients. [6]

RCLCF Policy Work

As already mentioned during 2019, one of our key policy areas has been the implementation of a National Lung Cancer Screening Program. However, some of the Charity's other key areas of work and of no less importance have been:

- Implementation of the National Optimal Lung Cancer Pathway (NOLCP)
- Focus on workforce issues – in particular, Lung Cancer Clinical Nurse Specialists and Radiologists
- Equitable access, across the country, to Stereotactic Ablative Radiotherapy (SABR) – newly added.

The Charity also continued as secretariat for:

- the Lung Cancer Clinical Expert Group (the CEG is an NHS England multidisciplinary group of lung cancer experts) and;
- the CEG Sub Group on Lung Cancer Screening.

During 2019, the National Optimal Lung Cancer Pathway, developed by the CEG, has been highlighted by NHSE for implementation across England. This is a challenging pathway, to ensure patients receive timely equitable access to diagnostics, treatment and care and the CEG with the support of the Charity is working on a number of protocols to support the NOLCP.

The Screening Sub Group has created the Protocol for Lung Cancer Screening and Lung Health Checks, the Quality Assurance documentation and the Incidental Findings Protocol. This Sub Group is the Clinical Advisory Group for the roll out of Lung Health Checks across England and is vital to the success of this initiative.

Of note, during 2019 the 'Get it Right First Time' Respiratory initiative (GIRFT) has focused on lung cancer. Essentially, this is peer review, looking at how far each Trust is implementing the NOLCP. Review is underway and we anticipate reports available in 2020.

The Roy Castle Lung Cancer Foundation is proud to both support and to be involved in each of these initiatives, and to be helping improve the outcomes for patients.

Our Work in Conjunction With NICE

Dr Jesme Fox continued to work as a consultee to NICE (England) throughout 2019 to ensure promising new lung cancer therapies are available in the NHS and during 2019 nice recommendations included:

- Durvalumab (in Stage III (maintenance), for use in the Cancer Drugs Fund);
- Daconitinib (Untreated EGFR positive);
- Atezolizumab in combination (non squamous nsclc);
- Brigatinib (in ALK positive nsclc, after Crizotinib).

In February 2019, the updated NICE 'Lung Cancer Diagnosis and Treatment Guideline was published. Dr Fox was also a member of the Updating Committee. A Roy Castle Lung Cancer Foundation funded publication by Dr Emma O'Dowd's was widely evidenced within some of the recommendation. This work had been undertaken by Emma as a Clinical Research Fellow, funded by the charity.

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In June 2019, in partnership with the British Thoracic Oncology Group, we held our third Lung Cancer Update from the American Society of Clinical Oncology meeting. The filmed presentations are available through the website.[8]

Prof Marianne Nicolson recently retired as a Medical Oncologist in Aberdeen. She is a key figure in lung cancer in the UK and beyond and was the recipient of a Roy Castle Lung Cancer Foundation Outstanding Achievement Award. She is also a member of our Grants Committee. We are pleased to announce that she has accepted our invitation to be the RCLCF Clinical Advisor. As such, she will be able to support our Comms work, give clinical advice on LCISS and Medical matters. We look forward to working with her and to benefiting from her shared expertise.

RCLCF funded Research

During 2019, our Open Research Grant Process continued, with the Grants Committee and external experts reviewing applications. The Board of Trustees agreed to fund two new projects in 2019.

- Methods for prevention and early detection of lung cancer, after Hodgkins Lymphoma (Early Detection).
- DECLINE. Decisions against Curative treatment for Lung cancer IN Eligible patients (Patient Experience).

It was also extremely pleasing to see the regard that the Roy Castle Lung Cancer Foundation was held in at the British Thoracic Oncology Group conference in January 2019 and the Roy Castle Lung Cancer Foundation had an extremely good presence there with the following highlights:

- RCLCF funded work in 2 Poster Presentations;
- Lorraine Dallas facilitated the Patient Advocacy Session;
- David Gilligan updated the meeting on RCLCF Research Grants.

Of the 4 other oral presentations selected from the many abstracts submitted, two were RCLCF funded projects.

At the 2019 RCLCF Alumni Meeting presentations were a combination of RCLCF funded research and a campaign update. We also took the opportunity, at the meeting, to honour Prof David Baldwin with a Special Contribution Award and one of the two UK winners of the Global Lung Cancer Coalition 'Excellence in Lung Cancer Journalist' Awards, Sophie Sabbage.

Collaboration with the Christie Hospital

Together with the Christie Hospital in Manchester. We have agreed to fund an investigation of Docetaxel use called 'Outcomes and tolerability of second line Docetaxel alone or with Nintedinib for nsclC'. This will provide extremely helpful data for future drug appraisals, as 'real world' data on this drug use is not available.

Policy on Research Grant Making

Our grants policy allows for an extremely robust application process to ensure we only fund the very best science. Applications are offered via an open grants application programme, independently peer reviewed by our own grants committee and then externally peer reviewed by leading experts in the relevant field before being recommended for funding.

Global Lung Cancer Coalition

The Roy Castle Lung Cancer Foundation continues to be at the heart of the GLCC and provide its secretariat. The GLCC is indeed a global organisation and includes 37 organisations from 26 countries [9].

During 2019 the following was achieved:

- Global Lung Cancer e-Atlas. A major piece of work to update the e-atlas was completed in 2019. Members of the GLCC have used this tool to compare their own country with lung cancer data in other countries, in many advocacy activities. We are also aware that healthcare professionals and others use this resource, as an easy source for data extraction and presentation.
- The State of Global Lung Cancer Research. The GLCC has commissioned researchers at King's College in London, to undertake a bibliometric research, programmed to map published lung cancer research, across the globe.
- Social Media and Lung Cancer Survey. Social media has become a very important communications tool. During 2019, we commissioned a survey to understand the 'footprint and feel' of lung cancer content in social media. Our next steps will be to summarise findings, create country by country reports for GLCC members and develop a social media 'hints and tips' guide, based on these findings. In recognition of the changing communications environment, the GLCC has developed a strategy for engaging with New Media, as well as continuing to update its website.
- An Online Lung Cancer Screening Resource centre is currently being developed. This will support lung cancer advocates across the world to make the case for lung cancer screening and so, work to overcome local policy barriers.
- Lung Ambition Alliance (LAA). During 2019, GLCC has worked with IASLC, AstraZeneca and Guardant Health in launching the LAA. In 2019, the Initiatives in Lung Cancer Care program was launched. This is an open online call for registered patient and caregiver organisations, to submit proposals for funding of projects we are pleased to say our application was successful.
- Awareness Leaflets and Factsheets. We currently have a series of Factsheets, including those on 'Clinical Trials', 'Immunotherapy and Lung Cancer', 'Lung Cancer Screening' and 'Smoking Cessation for Lung Cancer Patients'. These have been professionally translated in to the 16 GLCC member languages and are available for download from the GLCC website. The GLCC has also created core materials and provides support for member organisations and distribution has continued during 2019.
- Excellence in Lung Cancer Journalism' Awards. The aim of this award scheme is to stimulate more responsible journalism on lung cancer issues. The winner in 2019 was Psychologist and author, Sophie Sabbage.
- The GLCC Annual Meeting 2019. Key to the GLCC's continued existence is its annual face to face meeting of members. During this time, in addition to ongoing activity, we agreed to undertake a new piece of work in 2020. Understanding and improving patient experience was identified as the key priority.

Patient Support

During the year we provided support and contact to a wide range of people affected by lung cancer, we raised awareness amongst the general public of their lung cancer risk and delivered information to patients' carers and professionals.

We had 859 patient and carer contacts via our Ask the Nurse service. This includes phone, email and online support for those affected by lung cancer.

Feedback from Sue:

"Thank you for helping me this morning, it was reassuring to talk to you and our conversation gave me some peace of mind. I know what I should do but feel terrified of going into hospital. I feel much better now after our chat."

We run and monitor two online communities. One provides support for people who are trying to stop smoking, an important way of reducing your risk of lung cancer. In 2019 we had 12,500 members of the Quit Support community.

Our lung cancer community has a total of 3,863 members with 417 new members in 2019 and an average of 350 members actively posting each month.

Feedback from community member SAH1:

"I was very lost when I first got my diagnosis, it took two months from being told I'd got cancer to actually receiving any treatment. This site was a lifeline."

Over the course of the year 59 support groups met across the UK. Support groups vary from 10 - 50 members and are facilitated by Lung Cancer Nurses. They are an important source of support and information for those who are going through treatment or adjusting to a loved one's diagnosis.

In addition to the groups which meet monthly we offer support to more patients and carers via our Information Days. In 2019 we hosted 8 Information Days in areas including Macclesfield, Cambridge, Dundee and Canterbury. These were attended by 189 people living with lung cancer.

Leicester information Day attendee:

"I found the day extremely informative, a pleasure to be treated as an intelligent person. Excellent to hear the speakers at the event, helps to reassure and offers support."

Information

Demand for printed information continued to be high in 2019 and the information we provide is an important and trusted source of information for both patients and their families and we are proud that our information is Accredited by the Information & Standards Commission.

We distributed more than 30,000 copies of our diagnosis and treatment related publications, as well as a further 4,603 booklets on adjusting to life with lung cancer.

We also distributed in excess of 9,000 Awareness booklets and Lung Cancer Awareness Month packs, many of these were to professionals and thanks go to the Lung Cancer Nurses Forum for their help in this.

Jill B, patient advocate

"I have read through the finished booklet and found it to be informative and well written. I am sure it will be a very useful guide for many people who have been newly diagnosed with lung cancer."

Campaigning Communications and Marketing

Building on the success of our 2018 activity both internally and externally, the primary aims of the communications department in 2019 were in relation to awareness and campaigning:

- To develop a working relationship with the sites appointed as lung health check areas to ensure the successful launch of the pilots.
- To challenge the continued misconceptions around lung cancer to improve disease awareness and earlier diagnosis.
- And to improve the way lung cancer is talked about to facilitate a more supportive network for patients.

And in relation to income creation:

- To adopt a more strategic approach in the marketing of fundraising events to increase income generation;
- Improved promotion of the charity, creating increased awareness with a positive effect on general donations, legacies and retail activity.

Public Health Collaboration

Developing a working relationship with sites appointed as part of the lung health check programme to ensure the successful launch of the pilots.

NHS England announced the roll out of lung health checks on 8th February 2019. We were the only charity quoted in the official NHS press release, immediately highlighting establishing our place within the pilots. NHS England also asked for us to house key documentation re the health checks on our website and directed CCGs to it.

We were then invited to address all lung health check CCGs at the inaugural meeting where we shared our own experience and learnings through our Nottingham project and presented the ways in which we can offer support to CCGs in both marketing and community engagement.

This led to the subsequent relationship with the Liverpool Healthy Lung Programme who commissioned us to undertake various marketing and community engagement activity to improve uptake in their well-established programme to the sum of £35,000.

“In 2019 Liverpool CCG commissioned RCLCF to improve the communications and engagement approach for the programme. So far this is working really well and in a short space of time the RCLCF team has commenced a comprehensive programme of work. I am finding the charity professional to work with, and they are delivering an end to end solution which is time saving for us as strategic commissioners. In comparison to other communications projects I have been involved in, this is very cost effective.” Rachel Arvanitis, Programme Delivery Manager, Liverpool Healthy Lung Programme.

Mansfield and Ashfield CCG have also commissioned a series of marketing outputs to the sum of £15,000.

We have run community engagement events in Thurrock and Luton and submitted detailed proposals to Doncaster, Corby and Southampton, which we hope will result in further commissions once the programmes are re-established following the COVID-19 pandemic.

Lung Cancer Awareness

We continued to challenge the continued misconceptions around lung cancer to improve disease awareness and earlier diagnosis.

There remains a perception around lung cancer of who it affects. However, whilst lifestyle choices can increase a person's risk of developing lung cancer, the fact is it is a disease that can affect anyone; if you have lungs, you can get lung cancer.

We wanted to create an awareness campaign which highlighted this and launched *#LikeMe* April. In order to provide the biggest impact, we opted to feature 10 women under 50 who are living with the disease. We believed this offered the sharpest contrast to whom people perceive a 'typical lung cancer patient' to be.

The campaign reached over one million people on social media, with the campaign videos having over 800,000 video views collectively. The launch video was one of our most successful launches, with over 1000 shares on Facebook and over 36,000 people reached organically.

Throughout the duration of the campaign, the website had over 37,000 campaign-related page views and we distributed 1,500 awareness packs.

These are all markers of a successful campaign but what we are most pleased with was the response it had from patients, healthcare professionals and the general public:

- "Fantastic campaign, thank you. Awareness is definitely lacking as I was diagnosed with stage 4 lung cancer just before Christmas. As a 44-year-old non-smoker, it wasn't something I ever thought would happen to me."
- "Did you know that lung cancer is the second biggest killer in women aged 25-49? I didn't, and I'm 29. That's my age group. Just learned that here, where you can read the personal stories of some amazing female lung cancer patients."
- "That's how a campaign should be done."
- "Well done on a great patient campaign"
- "Many people still think that only older people who smoke or have smoked can develop lung cancer. The latest Roy Castle Lung Cancer Foundation campaign *#LikeMe* reminds us this simply isn't true. It's the 2nd biggest killer of women aged 25-49. Please share."

The campaign ran for two months. However, its central message – Lung cancer can affect anyone. People like you. People like me. – is at the core of our messages and all patient stories, as we continue to challenge these dangerous misconceptions and improve awareness and attitudes.

We strived to improve the way lung cancer is talked about to facilitate a more supportive network for patients.

Website development

In July, we relaunched the charity website, with the primary focus improving the content accessibility and user experience for both patients and fundraisers.

Since the redevelopment of the website, we have seen an increase in the number of users, new users and those returning to the site. The page view ratio remains the static at 2.4 pages per user.

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The primary aim of the website redevelopment was to improve the content accessibility and user experience for both patients and fundraisers. This included a better promotion of our support services to ensure patients have the relevant information available and an awareness of the specialist support network available to them during diagnosis and treatment.

We saw an increase in the number of people accessing our Help and Support pages once the new website launched:

	Aug-Dec 2018	Aug-Dec 2019	Increase/ Decrease
Users	2,947	8,195	178% increase
New users	2,428	6,192	155% increase

Overall website access has also seen a significant increase:

	Aug-Dec 2018	Aug-Dec 2019	Increase/ Decrease
Users	100,589	147,684	47% increase
New users	98,295	147,365	50% increase
No. of sessions per user	1.23	1.37	11% increase
Page views	243,856	357,635	47% increase
Bounce rate	73%	77%	5% increase

In relation to fundraising specifically, nine of the 50 most visited pages on the website in August to December were fundraising-focused, compared to just five pages for the same period in 2018.

Lung cancer awareness month

As survival rates continue to lag behind those of other cancers, there understandably remains a nihilistic perception around lung cancer. This, coupled with the general awkwardness around cancer, has created a rather negative, typically cliched and often insensitive language around the disease which can have an emotional impact on those living with it.

However, every diagnosis is different and so is everyone's way of dealing with it. This made it impossible to create a universal, one-size-fits-all language. We were at a bit of a crossroads and unsure how to proceed. Then we interviewed a patient and, whilst sharing her experience, she said:

"I overheard my husband on the phone to my mum. She was saying 'Sophie must do this. Sophie must do that.' He just gently replied 'We're going to follow Sophie's lead.'"

Follow her lead... Those three words encapsulated what we were trying to achieve. Instead of rolling out the generic, we wanted people to listen to the person with lung cancer and take cues from them to avoid making crass or hurtful comments, and so the Follow my Lead campaign was born.

The campaign had amazing outputs and achievements including:

- Launch video
- 10 patient films
- Follow my Lead pack, including posters, flyers and the FML icebreaker
- Website, social media programme and eShot distribution programme
- 8000 LCAM packs distributed
- Radio day
 - Featured on Sky News Radio (Absolute Radio, Capital, Heart, Smooth) as well as regional BBC stations and the Voices of Islam

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- Combined listenership of 38,000,000
- Patient interview in the Mail on Sunday
- High content engagement
 - Over 23,500 unique webpage views
 - Average time on webpage 2.32mins
 - Over 850,000 video views
 - Nearly half watching through to completion (48%)
 - 159% increase in FB comments (vs. LikeMe)
 - 48% increase in engagement (likes and shares).

In addition to this, we also produced a Follow my Lead poem delivered by comedian John Ryan, who specialises in using comedy to open up conversations on health issues, John lost both his parents to lung cancer.

The poem was scribed on the noticeboards at London Underground stations and John also appeared on Sky News sharing the message.

The poem was welcomed by the lung cancer community, and indeed, the whole cancer community. The Follow my Lead poem had a tremendous impact reaching:

- 779,540 views on Facebook
- 4,407 reactions and shares
- Almost 10% of people watched the full video
- 15% watched at least half the video (average watch time on FB is 10 secs).

Messages of support poured in on Facebook and Twitter.

Marketing and Income generation

Whilst steps had been made in previous years to improve the marketing around fundraising events, there is room for further improvement. To achieve this, we implemented a new marketing events strategy enabling us to:

- Have a better understanding of our audience, including demographic, channel, drivers and influencers;
- Execute activity in a more timely manner.

Marketing plans were developed for a number of key fundraising events. For example, the Great North Run and the launch of Spooky Welly Walk in Birmingham.

- Great North Run 2020

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We implemented a series of activity promoting the 2020 GNR on the day of the 2019 event. This resulted in 13 sign ups on the Sunday and a subsequent 18 on the Monday. In total, we secured 85 places, our highest to date.

- Spooky Welly Walk Birmingham

Launching a new event in a new region is never easy. However, utilising our experience with Spooky Welly Walk in Liverpool, we were able to secure 2000 presales for Spooky Birmingham, 100% up on the original target, and given the appalling weather on event day, these presales were vital.

Income generation – Retail and Fundraising

All the money raised by the Roy Castle lung Cancer foundation is vital in the charity's pursuit of its vital goals. A wide variety of means are utilised to raise these funds in order to minimise the risk vulnerably of any one income stream. Every penny raised is used in the best possible way. Every penny matters to the Charity and we value every donation no matter how it is given to us. Great care is taken of our donors and supporters, which in turn helps to maintain income for future years.

Retail

Roy Castle Retail had a record year with sales of £2,285,864 [10] generating a valuable contribution to the good works of the charity of £285,210 with several stores performing at record levels, notably our furniture stores.

New stores were opened in West Kirby on the Wirral and in Southport, both traded very successfully and built on the logistical footprint in these areas.

Great thanks go out to not only our dedicated managers and staff but the army of volunteers that help to make our shops such a great success. Donations continued to grow and during the year we recruited just under 4,000 new gift aiders through the retail operation bring the total number of supporters signed up through the Retail Gift Aid scheme to over 27,000!

Fundraising

- Legacies and Trusts

The legacies and trusts team have had an extremely successful year and a special thank has to go to the team and those individuals that have supported the charity through legacies and other Charitable Trusts that have chosen to support the charity having critically viewed and evaluated our work and found it to be extremely worthwhile.

Legacies had a tremendous year, income in 2019 was just over £479k against a budget of £350k which is a fantastic result! The future looks equally optimistic as we secured legacy pledges of a further £159k in the year through our Free Will scheme for our future pipeline.

Trusts exceeded income target by 30% with actual at £130k developing many new supporters as well as managing continued commitment from several existing supporters.

- Community

The Great North Run was a great success in 2019 for the sporting team. 2019 saw our biggest team to date, with over 80 runners raising more than £30,000 for the charity.

We also had hundreds of individuals and groups across the country organising their own fantastic fundraising activity and events, including a running club that set up a 24 hour challenge called Run 4 Rosie, this raised £13k and because of the great relationship we have developed they are doing it again in 2021.

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A pink themed ball that raised £20k and a group of women who climbed Snowdon in memory of Lucy Payne who was part of Like Me campaign. We originally spoke to Lucy as she wanted to tick something off her bucket list, as she had just been diagnosed with stage 4 lung cancer, which was hiking up Snowdon and seeing the sun go down. Unfortunately, Lucy passed before she could tick it off her list but her 10 friends still ventured out and reached summit.

Another notable success was a really successful Swim The Distance campaign which had a target of £30k but brought in £45k. We had more than 300 people swimming for us including 25 people who swam 100 miles!

- Isle of Man

July 2019 saw the opening of our Isle Of Man office, in less than half a year we managed to raise over incredible £17K from a standing start which included our inaugural Golf day that raised over £6k, an incredible achievement in such a short space of time, and importantly stated to deliver much needed services to those with lung cancer and their families on the island.

- Payroll Giving

We have increased our resources to strengthen our work on payroll giving which is why we're seeing a positive impact and in 2019 income was 24% higher than 2018. This is generated from a variety of projects including a consortium of charities, and our own activity to retain existing charity canvassed supporters and recruit more through our work with individual and corporate supporters.

- Events

Liverpool Spooky Welly Walk, our headline Halloween event, in 2019 was our biggest and best event yet with almost 8,000 attendees. We sold out of in advance tickets almost a month before the event and released a further 1,000 tickets which also sold out.

Birmingham Spooky Welly Walk. As a national charity we felt it was important to maximise our reach with Spooky Welly Walk. With numbers declining in St Helens we took the decision to cancel this event and move it to a new location. We chose Birmingham and secured an amazing location, the venue was perfect and enabled us to secure some high calibre exhibitors. We had 2000 people attend on the day in the most awful weather conditions. We also received a donation of £500 on the day!

- Individual giving

Individual Giving saw an increase in income of 22% higher than 2018. A high number of single donation and some really high value donations from a couple of individuals including a £20,000 single donation from a family who had received early inheritance along with £10,000 from a lung cancer patient, who has sadly since passed away together with a general increase contributed to this success.

- In memoriam donations

We saw an increase in those who support us following the loss of a loved one. We work closely to support families and keep in touch offering ways for the family to keep the memory of their loved one alive through the use of Tribute Funds which is an online platform where supporters can share memories and photographs, light candles, create fundraising pages and much more. As a result 2019 income was up 33% on the previous year.

- Corporate Fundraising

During 2019 the corporate team objective was to both nurture and grow our corporate relationships. We wanted to look after our current supporter base and see how we develop these relationships and to create new opportunities, establish the charity in new geographic areas and business sectors, increasing the income for the charity and lung health awareness.

Specsavers, Scotland. Initially they had approached us and set an ambitious target of raising £25k in memory of their colleague/director Tom. By keeping in regular contact, offering to help with fundraising and new ideas and visiting, they felt able to increase their target in 2019 to £50k.

Rigby Financial, a family business that initially had a Facebook birthday fundraiser as their mother, Pam had been diagnosed with Lung Cancer. It has been such an honour to work with this family. Sadly Pam died earlier this year, but her sons and husband continue her philosophy of caring and charity work. Their fundraising events during the year included a golf day which raised over £8k and the Rainford Christmas tree Festival.

The growth of new support in London is so exciting. 2019 has seen this all begin to take seed. We anticipate a wonderful future of networking, increasing the environmental awareness theme and improving lung health across a number of industries.

ECO Fleet - A new company starting up in London with the same passion as us with regard to lung cancer. A percentage of profits is being donated to the charity. It is great to work together with start-ups and businesses small and large.

The geographical areas linked with the introduction of the lung health checks have been a priority during 2019 and networking via existing and new Chamber of Commerce links. Membership Women in Business Groups are proving a great resource and tool for introductions. Being on committees and having the lung health awareness presentation to offer has given us precedence over other charities.

A Corporate Launch event was held in Manchester in conjunction with Peter Jackson the jewellers. The event was themed around the film The Greatest Showman, with a number of auctions and a diamond chocolate box raffle which together raised £15k on the day. Additionally, the event has also led to several on-going relationships and engagement with the restaurant and several new corporates who attended the event.

David May held a Charity Golf Day held at North Manchester Golf Club, and it proved a fabulous day & evening it raised over a fabulous £17k exceeding its target, another event is now planned for 2020

Sasha Langford held the Dare to Care event supported by Coventry Building Society, which was a huge success over £15k raised & on-going support to fundraise, support us, new wellbeing corporate programme, support to be rolled out with Coventry Building Society.

Volunteers

The Charity has significant support from volunteers in all our activities. Following an extensive review of the number of volunteers registered with us, we now have a pool of over 500 'active' volunteers who regularly support our shops, administration and fundraising activities. Of these, more than 300 volunteers support our shop managers across the Merseyside and Cheshire area.

We have developed and maintained partnerships with several external organisations, raising the profile of the charity as well as developing new potential volunteers and developing links with several corporate partners.

We offer our volunteers the opportunity to achieve free qualifications in customer service, retail and leadership through Derby College.

In total, we estimate that our volunteers contribute more than fifty thousand hours of their time per year, which is worth over £400,000.

Structure Governance and Management

The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice Applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015)".

The Accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for Charities applying to FRS102 rather than the version of Statement of Recommended Practice which is referred to in the Regulations, but which has since been withdrawn.

Appointment of trustees

Roy Castle Lung Cancer Foundation (RCLCF) recognises that an effective board of trustees is essential if the charity is to succeed in achieving its objectives. The board must seek to be representative of the people with whom the charity works and must have available to it all of the knowledge and skills required to run the charity. Individual trustees must have sufficient knowledge, both of trusteeship in general and of the Foundation's activities, to enable them to carry out their role and to represent the charity at meetings and other events.

Using a balance of skills and geography, trustee vacancies should be advertised; however, existing trustees and employees are encouraged to put forward names for consideration. The potential trustee will complete a skill matrix and have an induction period of three months before formal appointment by members by ordinary resolution.

Trustees will serve for a three-year period before being eligible for re-election. Unless there are specific and special circumstances no trustee shall serve for more than three consecutive periods. The Chair and deputy Chair shall stand for re-election at each annual meeting. A trustee will be appointed to liaise with the Finance Director to discuss financial issues and be responsible for advising the Board of Trustees on financial matters. The charity has an indemnity provision in place for directors.

Key management personnel include the senior management team. Remuneration in relation to key management is benchmarked against comparable roles and organisations and then authorised by the board of trustees.

Trustee induction and training

All potential trustees receive an introductory pack about the Foundation and the duties and responsibilities of a trustee. They will also have an induction program which will include visiting Foundation sites and meeting staff in all the core areas of work and the appointment of an existing trustee as a mentor.

Organisation

The board of trustees administers the Foundation and comprises of eleven members that meets bi-monthly. The board has established four formally constituted committees, each with specific terms of reference and functions; Audit, Employment, Grants and Nominations and Roy Castle Retail as a trading retail subsidiary has a separate board of suitably experienced members with a direct link via common membership to the main charity board. The final decision on all matters remains with the board.

The Finance and Audit Committee supports the Chief Executive and the Finance Director in preparing for the annual financial statements audit.

The Employment Committee is responsible for approval of pay and conditions of staff and Chief Executive and resolution on health and safety issues.

The Scientific Grants Committee is responsible for considering all applications for grants and making recommendations to the Board. The committee also monitors the performance of all external research activities and reports to the Board.

The Nominations Committee is responsible for the recruitment and training of new trustees; this is convened ad hoc rather than as a formal committee.

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The Chief Executive is appointed by the trustees to be responsible for the executive management and its day to day direction in line with the strategic plan.

Objectives and Activities

The Foundation's mission is to beat lung cancer by funding innovative world-class research. Our aim through research into Early Detection and Patient Experience is to make a significant impact on lung cancer for the benefit of patients. Scientific excellence and relevance to lung cancer are the key principles which will guide the foundation's research.

The Foundation's key research objectives are:

- to build the talent pool in lung cancer research of the highest quality, in the UK and the Republic of Ireland.
- to encourage scientific innovation.
- to make every effort to engage in scientific and public dialogue and encourage scientists to communicate and collaborate with each other and ensure that the results are disseminated in an easy format to the general public.
- to ensure that research translates into benefits for patients as quickly and effectively as possible.

Grant making policy

Awards are provided for pilot grants and project grants in universities, medical schools/teaching hospitals and research institutes within the UK and Ireland.

Grants will be made in support of the research project including salaries, minor equipment and consumables costs. The Foundation will not directly employ staff on grants awarded for research projects.

The Foundation will only undertake the funding of research that has been peer reviewed through its Grants Committee process. Details of how to apply for grants and scholarships, together with the relevant forms, are available by contacting our registered principal office.

Financial appraisal and review

Related parties

The charity has three wholly owned subsidiaries: Roy Castle Retail Ltd (03604677), Roy Castle Trading Ltd (03909935) and Cut Films Ltd (07313137). Three subsidiary companies no longer used, have been dissolved 2019 The Cut Films Project, Roy Castle Patient Support and Roy Castle Clean Air.

Roy Castle Retail Ltd was established on 27 July 1998 to operate as a trading retail company to raise funds for charitable purposes. The company result for the year was a profit of £285,210 before Gift Aiding profits to the charity (2018: £272,754) and the company made a gift aid payment of £285,210 to the charity (2018: £278,657).

Roy Castle Trading Ltd was established on 19 January 2000 to operate as a trading promotional company to raise funds for charitable purposes. The company result for the year was a £248,946 profit (2018: £228,427 profit) before a gift aid payment to the Charity of £248,946 (2018: £234,674).

Cut Films Ltd was established on 13th July 2010 originally as a trading subsidiary of Cut Films Project Ltd ownership transferred to the Roy Castle Lung Cancer Foundation in November 2018. The company result for the year was a £8,542 loss (2018: £81,535 loss) before a gift aid payment to the Charity of £nil (2018: £nil).

Financial Review Summary

The Charity, as a group, made a surplus during 2019 of £105,830 (2018: £447,507 deficit). This is due to an increase in income levels despite a difficult economic environment and a reduction in costs, while maintaining a determination to deliver on our charitable objectives on a consistent basis. Thus, we have largely maintained our charitable spend while progressing towards our longer-term gains and objectives.

Income and funding

Total income for the charity increased to £4,805,338 for the year (2018: £4,514,697).

Legacy income in 2019 was significantly increased to £479,412 (2018: £338,411). Other voluntary donations also rose slightly to £527,520 (2018: £513,613) and in memoriam donations grew to £187,012 (2018: £160,227), this type of personal, individual support remains a key income stream and is a testament to our great donor care and personal touch.

Sponsorship income increased in 2019 to £384,219 (2018: £355,665).

Gift aid on donations doubled in the year to £213,994 (2018: £105,366). This increase was caused by a change in the treatment of gift aid on donations in the financial statements this year. In 2018 gift aid on donations was included within the income categories where the original income sat however in 2019 this was changed to have the gift aid on donations stripped out to its own separate category within income.

Retail performed well with a record year generating an improved gross profit of £2,160,610 (2018: £2,050,100). This was mainly driven by strong sales from our new shops in West Kirby and Southport and our other furniture outlets in Chester, Smithdown Road in Liverpool, Warrington and Crosby.

The net contribution of the furniture shops was £698,509 (2018: £630,129).

The traditional high street charity outlets performed slightly below 2018 levels under difficult trading conditions with a net contribution £9,930 (2018: £23,939) and the company generated an overall profit of £285,210 (2018: £272,754).

Expenditure

Overall expenditure for the year was £4,815,615 (2018: £4,905,459) showing a cost saving against previous years. [statutory accounts page 29]

Total charitable expenditure for 2019 was £2,008,418 (2018: £2,316,038). [statutory accounts page 46]

Research expenditure was £ 1,100,961 in 2019 (2018: £1,317,820), with direct charitable research grants of £ 401,430 (2018: £547,260). [statutory accounts page 46]

Funding will be made to two new additional projects with grants awarded in 2019 to start in 2020, plus continuing distributions to the University of Liverpool (Liverpool Lung Project) and to support a Clinical Research Fellowship at the University of Nottingham.

Investments

The Charity holds £1,166,509 (2018: £1,021,338) in listed investments that generated an income of £33,184 in the year (2018: £35,442). In the year there was a gain of £116,107 profit (2018: £56,745 loss) on revaluation of investments held. [statutory accounts page 51]

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Rathbones, an independent stockbroker, manages the investments within defined areas. The stockbrokers have been instructed not to invest in tobacco-related companies and other socially unacceptable companies. The current investment policy of the trustees is to hold a large proportion of surplus assets of the Foundation in cash and near cash to ensure a stable platform for the organisation's continued activities.

Reserves

The trustees have adopted a reserves policy which they consider appropriate to ensure the continued ability of the Foundation to meet its objectives and the specific nature of its obligations in relation to long term research in the form of grants.

The charity monitor's its reserves policy based on the obligations noted above compared to free reserves and overall liquid assets.

a) Free reserves

The level of Free Reserves, as defined by the Charity Commission, are the unrestricted funds available for spending and are therefore traditionally calculated by taking the total unrestricted funds of the charity and deducting any balances not available for spending. As all investments held by the charity are in reality liquid and readily converted immediately into cash to spend these have there been included in the calculation for the Charities Reserves' policy. The Charity's free reserves are therefore unrestricted reserves less tangible fixed assets.

The level of free reserves held calculated on this basis are £533,326 (2018: £436,172)

To hold sufficient funds to cover

- all future outstanding research grant obligations, to secure the safety of our vital research work
- three months general none self-financing charity expenditure

on the above basis the charity's required reserves are £536,949 (2018: £587,858), as such the trustees are comfortable that they hold sufficient reserves to meet their immediate obligations.

b) Liquid assets and cash

As a second control the trustees also monitor the level of cash and investments held against a longer term view of the charity's potential commitments, and the value of the company.

To hold sufficient funds to cover

- all future outstanding research grant obligations, to secure the safety of our vital research work
- three months general none self-financing charity expenditure
- a reasonable provision for any potential redundancies based on length of service
- the full outstanding length of none self-financing property costs

Required on the above basis, the resources required are calculated as £1,046,369 (2018: £1,005,657) and the charity currently holds £1,554,203 in cash and investments (2018: £1,574,158).

Post Balance Sheet Events and the effects on reserves

Like all of the Charity sector and indeed the broader overall economy, the Roy Castle Lung Cancer Foundation has been adversely affected by the effects of the Covid19 pandemic and the actions that have had to be implemented by the government from March 2020 to tackle the issue.

Key fundraising events have had to be cancelled, the value of investments have been fluctuated, shops have been closed and general donations through normal channels have been depressed.

However, the charitable group and company has taken prudent actions to protect itself in this period of uncertainty and minimise the negative impact of the Covid19 pandemic, and created both innovative and new social media events and virtual fundraising activities to compensate for the drop in income from traditional sources.

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The charity, up to November 2020 has taken advantage of every form of government support available to it :-

- The charitable group and company has received over £430,000 in furlough payments through the CJSS,
 - with every member of the retail staff bar one was furloughed, together with a proportion of staff from all other teams and departments, up to a total of 94 members of staff at any one time. This has allowed us to still cover all departments and operate the charitable group and company whilst significantly reducing the net cost of employment during the key period.
- The charitable group and company has received £295,000 in covid19 related retail grants through local council support backed by the government
- The charitable group and company has applied for and received in October a £200,000 CbIL loan backed by the Government.
 - This money is to act as insurance policy to protect the charitable group and company's investments, allowing the level of working capital to be maintained without the necessity to crystallise any potential losses in the charitable group and company's longer term investments and reserves should the need arise at a point when the stock market is depressed.
- Whilst the charitable group and company has attempted to minimise the effect of Covid19 on job losses there have sadly been some five redundancies made as direct result of covid19, the effect of the saving here have been supplemented by further staff losses through natural churn and in shortened working hours and voluntary pay cuts.
- As many of the medical and research staff working on our vital lung cancer research have been pulled back onto the medical front line, some research projects have been paused creating savings in expenditure.

As well as the above adjustments to the charitable group and company's cost structure, over 2020 the charitable group and company has proved itself successful in generating new and innovative income streams to replace some of the more traditional methods of raising donations

- These have included a range of new virtual and social media events generating over £140,000 including :-
 - A series of retro virtual runs based on music decades
 - A virtual quiz
 - Tapathon - a social media tap dancing event
- The charitable group and company has also been successful in obtaining around £125,000 of emergency funding from trusts and the National Lottery to help support our charitable activities during the Covid19 period which, with both diseases being respiratory, has had a direct effect on some of our work

As a result, after taking advantage of the government support itemised above, reducing costs and the successfully supplementing the charities income during 2020, the charitable group and company is now forecast to generate an estimated deficit in 2020 of circa £130,000 compared to the previously budgeted the breakeven position for 2020. The trustees have approved this position and deem it sustainable in the current circumstances and that there is no threat to the charities immediate going concern position.

After taking the latest government predictions for the reduction in size of the economy into account in assessing likely income levels, the charitable group and company has continued to take prudent actions following the initial phase of Covid19 to protect itself in this period of uncertainty and minimize the negative impact of the pandemic.

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Notably, following the end of the furlough scheme, staff have voluntarily agreed to a reduction of hours for 2021, which will create a saving of £150,000 against previous years costs and as a result of this and other actions taken the budget for 2021 shows a similar position to the forecast 2020 outturn. In light of this, together with the level of investments (£950k) and cash at bank (£1m) currently held, the trustees have decided that this is sustainable in the circumstances and that the accounts are prepared on the going concern basis and the trustees do not deem there to be a material uncertainty in relation to this.

Risk management

The trustees have a risk management strategy to assess business risks and to mitigate those risks. The strategy comprises:

- a regular review of risks the Charity may face, prioritising them in terms of potential impact and likelihood of occurrence and
- systems controls, internal checks and procedures to mitigate those risks identified in the plan and to minimise the potential impact on the Charity.

The trustees have identified the principal risks to the charity are a significant decrease in income through reduced legacies, public fundraising, a change in retail trends and the cancellation of contracts with PCTs. We believe that these business risks would be effectively managed by restructuring existing resources and maintaining appropriate accessible cash reserves.

An event on the scale of the Covid19 pandemic had not been envisaged but the above actions have proved adequate at the time of the trustees' report (December 2020) in successfully managing the situation and ensuring the future of the charity.

Plans for future periods

The charity has ambitious growth plans for the next three years, which are outlined in its 2019-2021 Strategy. These include:

Goal 1: To increase the level of support for patients and carers by increasing the number of support groups across the UK to 70, the number of regional information days each year as well as offering training and bursaries for up to 30 group facilitators per year.

Goal 2: To ensure all 40,000 people diagnosed with lung cancer in the UK every year have access to the best treatment, care and support.

Goal 3: To increase the funds available for patient relief grants from £50,000 to £100,000 p.a in three years, across the UK (supporting circa 500 people with lung cancer).

Goal 4 To grow our annual spend on lung cancer research over the next three years.

Statement of trustees' responsibilities

The trustees (who are also directors of The Roy Castle Lung Cancer Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditors

The auditors, RSM UK Audit LLP, have indicated their willingness to continue in office.

Staff

We would like to pay tribute to the staff of the Foundation who continue to show considerable enthusiasm and commitment.

Partners and supporters

We would like to record a sincere thanks to all our partners and supporters who have helped the Charity in any way this year.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable for companies entitled to the small companies exemption.

By order of the trustees



Max Steinberg CBE
Chairman

References:

[1] <https://www.cancerresearchuk.org/health-professional/cancer-statistics/statistics-by-cancer-type/lung-cancer>

[2 – 5] pages 29 to 62 of 2019 Accounts and for the financial summary

[6] <https://www.roycastle.org/research/nottingham-lung-health-check/>
Together with separately available as yet unpublished data

[7] <https://www.england.nhs.uk/2019/02/lung-trucks/>

[8] <https://www.btog.org/resources/btog-members-only/members-library/asco-2019-update-btog-rclcf-presentations/>

[9] GLCC membership <http://www.lungcancercoalition.org/list-of-members.html>

[10] Roy Castle Retail Ltd available via Companies House
<https://beta.companieshouse.gov.uk/company/03604677>

Opinion

We have audited the financial statements of Roy Castle Lung Cancer Foundation the 'parent charitable company' and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Charitable Company Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2019; and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report prepared for the purposes of company law and included within the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, included within the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 , the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- sufficient, adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report included within the trustees' annual report and from the requirements to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 23-24 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Roy Castle Lung Cancer Foundation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROY CASTLE LUNG CANCER FOUNDATION

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Anna Spencer-Gray
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
20 Chapel Street
Liverpool
L3 9AG

Date: 9.12.20

RSM UK AUDIT LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Roy Castle Lung Cancer Foundation

Statement of Financial Activities for the year ended 31 December 2019

Consolidated					
	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Income & Endowments from:					
Donations & Legacies	10	1,559,382	493,677	2,053,059	1,754,157
Charitable activities	11	8,209	-	8,209	27,385
Other trading activities	12	2,699,657	-	2,699,657	2,565,164
Investments	13	38,387	-	38,387	104,364
Other	14	5,625	401	6,026	63,627
Total income		4,311,260	494,078	4,805,338	4,514,697
Expenditure on:					
Raising funds	15	2,807,197	-	2,807,197	2,589,421
Charitable activities	16	1,492,110	516,308	2,008,418	2,316,038
Total expenditure		4,299,307	516,308	4,815,615	4,905,459
Net gains/(losses) on investments	27	116,107	-	116,107	(56,745)
Net income/(expenditure)		128,060	(22,230)	105,830	(447,507)
Net movement in funds		128,060	(22,230)	105,830	(447,507)
Reconciliation of funds:-					
Total funds brought forward		594,647	495,882	1,090,529	1,538,036
Total funds carried forward		722,707	473,652	1,196,359	1,090,529

All gains and losses recognised in the year are included above.

All activities derive from continuing operations.

The notes on pages 36 to 65 form an integral part of these financial statements.

Roy Castle Lung Cancer Foundation

Statement of Financial Activities for the year ended 31 December 2019

Charity Only

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Donations & Legacies	18	1,958,872	493,677	2,452,549	2,160,564
Charitable activities	19	8,209	-	8,209	2,385
Other trading activities	20	96,114	-	96,114	132,254
Investments	21	39,762	-	39,762	64,271
Other	22	5,625	401	6,026	63,627
Total income		2,108,582	494,078	2,602,660	2,423,101
Expenditure on:					
Raising funds	23	650,148	-	650,148	597,297
Charitable activities	24	1,437,938	516,308	1,954,246	2,112,246
Total expenditure		2,088,086	516,308	2,604,394	2,709,543
Net gains/(losses) on investments	27	116,107	-	116,107	(56,745)
Net income/(expenditure)		136,603	(22,230)	114,373	(343,187)
Net movement in funds		136,603	(22,230)	114,373	(343,187)
Reconciliation of funds:-					
Total funds brought forward		684,193	455,676	1,139,869	1,483,056
Total funds carried forward		820,796	433,446	1,254,242	1,139,869

All activities derive from continuing operations.

All gains and losses recognised in the year are included above.

The notes on pages 36 to 65 form an integral part of these financial statements.

Consolidated Balance Sheet as at 31 December 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	28		188,881		158,475
Investments held as fixed assets	29		1,166,512		1,021,338
Total fixed assets			<u>1,355,393</u>		<u>1,179,813</u>
Current assets					
Stocks	31	92,293		80,209	
Debtors	32	471,044		402,935	
Cash at bank and in hand		387,694		552,820	
Total current assets		<u>951,031</u>		<u>1,035,964</u>	
Creditors: amounts falling due within one year	33	<u>(1,110,065)</u>		<u>(1,125,248)</u>	
Net current (liabilities)			<u>(159,034)</u>		<u>(89,284)</u>
The total net assets of the group			<u><u>1,196,359</u></u>		<u><u>1,090,529</u></u>

The total net assets of the group are funded by the funds of the charity, as follows:-

Restricted funds					
Restricted Revenue Funds	38		473,652		495,882
Unrestricted Funds					
Unrestricted Revenue Funds	38		722,207		594,647
Total group funds			<u><u>1,196,359</u></u>		<u><u>1,090,529</u></u>

The Trustees have prepared the group accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustees Investment (Scotland) Act 2005.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Approved by the board of trustees on 1 December 2020 and signed on their behalf by:

Max Steinberg CBE
Trustee



The notes on pages 36 to 65 form an integral part of these financial statements.

Charity Only Balance Sheet as at 31 December 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	28		60,563		56,654
Investments held as fixed assets	29		1,296,107		1,150,938
Total fixed assets			<u>1,356,670</u>		<u>1,207,592</u>
Current assets					
Stocks	31	12,722		8,071	
Debtors	32	627,765		618,175	
Cash at bank and in hand		244,589		288,296	
Total current assets		<u>885,076</u>		<u>914,542</u>	
Creditors: amounts falling due within one year	33	(987,504)		(982,265)	
Net current (liabilities)			<u>(102,428)</u>		<u>(67,723)</u>
The total net assets of the charity			<u><u>1,254,242</u></u>		<u><u>1,139,869</u></u>

The total net assets of the charity are funded by the funds of the charity, as follows:-

Restricted funds					
Restricted Revenue Funds	38		433,446		455,676
Unrestricted Funds					
Unrestricted Revenue Funds	38		820,796		684,193
Total charity funds			<u><u>1,254,242</u></u>		<u><u>1,139,869</u></u>

The Trustees have prepared the group accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustees Investment (Scotland) Act 2005.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime

Approved by the board of trustees on 1 December 2020 and signed on their behalf by:

Max Steinberg CBE



Trustee

The notes on pages 36 to 65 form an integral part of these financial statements.

Roy Castle Lung Cancer Foundation

Consolidated Cash Flow Statement for the year ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Net cash used in operating activities as shown below	(78,870)	(410,933)
Cash flows from investing activities		
Interest received	4,777	730
Dividends received	33,184	35,442
Other investment income, including rents from investments	1,336	68,192
Purchase of property, plant and equipment	(97,581)	(58,385)
Receipts from sale of tangible fixed assets	1,092	13,639
Proceeds from sales of investments	95,156	319,166
Purchase of investments	(153,036)	(74,898)
Increase in cash held for investment	28,816	58,364
Net cash used in investing activities	(86,256)	362,250
Net decrease in cash and cash equivalents	(165,126)	(48,683)
Cash movements		
<i>Change in cash and cash equivalents from activities in the year ended 31 December 2019</i>	(165,126)	(48,683)
Cash and cash equivalents at 1 January 2019	552,820	601,503
Cash at bank and in hand at 31 December 2019	387,694	552,820
	2019 £	2018 £
Reconciliation of net income to net cash flow from operating activities		
Net income/(expenditure) shown in the Statement of Financial Activities	105,830	(447,507)
Adjustments for :-		
Depreciation charges	66,083	75,262
Net change on investment assets	(116,107)	56,745
Dividends, interest and rents from investments	(39,297)	(104,364)
(Increase)/decrease in stocks	(12,084)	9,768
(Increase)/decrease in debtors	(68,109)	165,823
Decrease in creditors	(15,186)	(166,660)
Net cash used in operating activities	(78,870)	(410,933)
	2019 £	2018 £
Analysis of cash and cash equivalents		
Cash in hand at for the year ended 31 December 2019	387,694	552,820
Total cash and cash equivalents	387,694	552,820

Roy Castle Lung Cancer Foundation

Notes to the Consolidated Accounts for the year ended 31 December 2019

	2019 £	2018 £
Cash flows used in operating activities		
Net cash used in operating activities as shown below	(25,038)	(449,029)
Cash flows used in investing activities		
Interest received	4,777	1,413
Dividends received	33,184	35,442
Other investment income, including rents from investments	1,800	27,416
Purchase of property, plant and equipment	(29,366)	(45,702)
Proceeds from sales of investments	123,972	377,529
Purchase of investments	(153,036)	(74,898)
Net cash used in investing activities	(18,669)	321,200
Overall cash used in all activities	(43,707)	(127,829)
Cash movements		
<i>Change in cash and cash equivalents from activities in the year ended 31 December 2019</i>	(43,707)	(127,829)
<i>Cash and cash equivalents at 1 January 2019</i>	288,296	416,125
Cash at bank and in hand at 31 December 2019	244,589	288,296
	2019 £	2018 £
Reconciliation of net income to net cash flow from operating activities		
Net income shown in the Statement of Financial Activities	114,373	(343,187)
Adjustments for:-		
Depreciation charges	25,457	34,770
Net change on investment assets	(116,107)	56,745
Dividends, interest and rents from investments	(39,761)	(64,271)
(Increase)/Decrease in stocks	(4,651)	1,293
(Increase)/Decrease in debtors	(263,413)	35,945
Increase/(Decrease) in creditors	259,064	(170,324)
Net cash used by operating activities	(25,038)	(449,029)
	2019 £	2018 £
Analysis of cash and cash equivalents		
Cash in hand at for the year ended 31 December 2019	244,589	288,296
Total cash and cash equivalents	244,589	288,296

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

These consolidated accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Roy Castle Lung Cancer Foundation meets the definition of a public benefit entity under FRS102.

The registered office and principal place of business is Cotton Exchange, Old Hall Street, Liverpool, England, L3 9LQ.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results, assets and liabilities of the subsidiaries are consolidated on a line by line basis.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Control of members of the group and transfer of funds

The parent charity has concluded that control exists over its subsidiaries for the following reasons: - They are either a wholly owned subsidiary with directors appointed by the Roy Castle Lung Cancer Foundation or a charity and company limited by guarantee and controlled by trustees appointed by the Roy Castle Lung Cancer Foundation.

Legal Status

The Charity is a company limited by guarantee, has no share capital and is governed by its Memorandum and Articles of Association. The liability of each member in the event of winding up is £10. The company is registered as a charity with both the Charity Commission and the Office of the Scottish Charity Regulator.

Going Concern

Like all of the Charity sector and indeed the broader overall economy, the Roy Castle Lung Cancer Foundation has been adversely affected by the effects of the Covid19 pandemic and the actions that have had to be implemented by the government from March 2020 to tackle the issue.

Key fundraising events have had to be cancelled, the value of investments have been fluctuated, shops have been closed and general donations through normal channels have been depressed.

However, the charitable group and company has taken prudent actions to protect itself in this period of uncertainty and minimise the negative impact of the Covid19 pandemic, and created both innovative and new social media events and virtual fundraising activities to compensate for the drop in income from traditional sources.

The charity, up to November 2020 has taken advantage of every form of government support available to it :-

- The charitable group and company has received over £430,000 in furlough payments through the CJSS,
 - with every member of the retail staff bar one was furloughed, together with a proportion of staff from all other teams and departments, up to a total of 94 members of staff at any one time. This has allowed us to still cover all departments and operate the charitable group and company whilst significantly reducing the net cost of employment during the key period.
- The charitable group and company has received £295,000 in covid19 related retail grants through local council support backed by the government

1 Accounting policies (continued)

- The charitable group and company has applied for and received in October a £200,000 CbIL loan backed by the Government.
 - This money is to act as insurance policy to protect the charitable group and company's investments, allowing the level of working capital to be maintained without the necessity to crystallise any potential losses in the charitable group and company's longer term investments and reserves should the need arise at a point when the stock market is depressed.
- Whilst the charitable group and company has attempted to minimise the effect of Covid19 on job losses there have sadly been some five redundancies made as direct result of covid19, the effect of the saving here have been supplemented by further staff losses through natural churn and in shortened working hours and voluntary pay cuts.
- As many of the medical and research staff working on our vital lung cancer research have been pulled back onto the medical front line, some research projects have been paused creating savings in expenditure.

As well as the above adjustments to the charitable group and company's cost structure, over 2020 the charitable group and company has proved itself successful in generating new and innovative income streams to replace some of the more traditional methods of raising donations

- These have included a range of new virtual and social media events generating over £140,000 including :-
 - A series of retro virtual runs based on music decades
 - A virtual quiz
 - Tapathon - a social media tap dancing event
- The charitable group and company has also been successful in obtaining around £125,000 of emergency funding from trusts and the National Lottery to help support our charitable activities during the Covid19 period which, with both diseases being respiratory, has had a direct effect on some of our work

As a result, after taking advantage of the government support itemised above, reducing costs and the successfully supplementing the charities income during 2020, the charitable group and company is now forecast to generate an estimated deficit in 2020 of circa £130,000 compared to the previously budgeted the breakeven position for 2020. The trustees have approved this position and deem it sustainable in the current circumstances and that there is no threat to the charities immediate going concern position.

After taking the latest government predictions for the reduction in size of the economy into account in assessing likely income levels, the charitable group and company has continued to take prudent actions following the initial phase of Covid19 to protect itself in this period of uncertainty and minimize the negative impact of the pandemic.

Notably, following the end of the furlough scheme, staff have voluntarily agreed to a reduction of hours for 2021, which will create a saving of £150,000 against previous years costs and as a result of this and other actions taken the budget for 2021 shows a similar position to the forecast 2020 outturn. In light of this, together with the level of investments (£950k) and cash at bank (£1m) currently held, the trustees have decided that this is sustainable in the circumstances and that the accounts are prepared on the going concern basis and the trustees do not deem there to be a material uncertainty in relation to this.

Policies relating to categories of income and income recognition.

a) Accounting for deferred income and income received in advance

Where terms and conditions relating to income have not been met or uncertainty exists as to whether the charity can meet any terms or conditions otherwise within its control, income is not recognised but is deferred as a liability until it is probable that the terms or conditions imposed can be met.

1 Accounting policies (continued)

Any grant that is subject to performance-related conditions received in advance of delivering the goods and services required by that condition or is subject to unmet conditions wholly outside the control of the recipient charity, is accounted for as a liability and shown on the balance sheet as deferred income.

Deferred income is released to income in the reporting period in which the performance-related or other conditions that limit recognition are met.

When income from a grant or donation has not been recognised due to the conditions applying to the gift not being wholly within the control of the recipient charity, it is disclosed as a contingent asset if receipt of the grant or donation is probable once those conditions are met.

Where time related conditions are imposed or implied by a funder, then the income is apportioned to the time periods concerned and, where applicable, is accounted for as a liability and shown on the balance sheet as deferred income. When grants are received in advance of the expenditure on the activity funded by them, but there are no specific time related conditions, then the income is not deferred.

Any condition that allows for the recovery by the donor of any unexpended part of a grant does not prevent recognition of the income concerned, but a liability to any repayment is recognised when repayment becomes probable.

b) Income from legacies

Income from legacies is recognised when the charity has sufficient evidence that a gift has been left to them, that where required, probate has been granted, the executor is satisfied that the property in question will not be required to satisfy claims in the estate, that it is probable that the amount will be received by the charity, and the amount to be received can be estimated with sufficient accuracy, and that any conditions attached to the legacy are either within the control of the charity or have been met.

Where a payment is received from an estate or is notified as receivable by the executors after the reporting date and before the accounts are authorised for issue but it is clear that the payment had been agreed by the executors prior to the end of the reporting period, then the amount concerned is treated as an adjusting event and accrued as income in the accounting period if receipt is probable.

Where the charity has established entitlement to a legacy but there is uncertainty as to the amount of the payment, details of the legacy are disclosed as a contingent asset until the criteria for income recognition are met. Where a legacy is subject to the interest of a life tenant, the legacy is not recognised as income until the death of the life tenant.

Where there is any doubt that full settlement of a legacy debtor will be received, then an adjustment is made to reduce the amount of the legacy debtor and legacy income rather than charging the adjustment as expenditure in the Statement of Financial Activities.

c) Donated goods, facilities and services

Donated fixed assets are recognised at the current fair value. All such donations are recognised as donation income and debited to fixed assets.

Donated goods that are not fixed assets are accounted for at a fair value, unless it is impractical to reliably measure the value of the donated items.

It is deemed impracticable to measure the fair value of goods donated for resale and that costs of valuation outweigh the benefits, as a consequence the value of donated goods are recognised as income when sold.

Donated services and facilities (including seconded staff and use of property) are included in the accounts on the basis of the value of the gift to the charity.

1 Accounting policies (continued)

All donated services and facilities are recognised as donation income when received (provided the value of the gift can be measured reliably) and recognised as an expense with an equivalent value.

Policies relating to expenditure on goods and services provided to the charity.

a) Recognition of liabilities and expenditure

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated.

Liabilities arising from future funding commitments and constructive obligations, including performance related grants, where the timing or the amount of the future expenditure required to settle the obligation are uncertain, give rise to a provision in the accounts, which is reviewed at the accounting year end. The provision is increased to reflect any increases in liabilities and is decreased by the utilisation of any provision within the period and reversed if any provision is no longer required. These movements are charged or credited to the respective funds and activities to which the provision relates.

b) Allocating costs to activities

Direct costs that are specifically related to an activity are allocated to that activity. Shared direct costs and support costs are apportioned between activities.

The basis for apportionment, which is consistently applied, and proportionate to the circumstances, is:-

c) Direct Staff Cost - Directly allocated on the basis of time spent in connection with any particular activity.

d) Indirect Staffing - on a per capita basis, based on the number of people employed within any particular activity. Indirect staff costs are allocated as follows:

- Directors and CEO, estimated time spent on operational activities
- Finance, estimated time spent on governance and remaining costs allocated on number of full-time equivalent (FTE) staff
- HR, allocated on number of full-time equivalent (FTE) staff excluding research staff
- Office services and IT, allocated on number of full-time equivalent (FTE) staff

e) Premises related costs - on a per capita basis, based on the number of people employed within any particular activity.

f) Non-specific support costs - on a per capita basis, based on the number of people employed within any particular activity.

g) Estimation techniques used in apportioning costs are based on FTE time spent on activities.

h) Volunteers

In accordance with the SORP, and in recognition of the difficulties in placing a monetary value on the contribution from volunteers, the contribution of volunteers is not included within the income of the charity.

However, the trustees value the significant contribution made to the activities of the charity by unpaid volunteers and this is described more fully in Note 7 and the strategic report.

1 Accounting policies (continued)

Policies relating to assets, liabilities and provisions and other matters.

a) Fixed Asset Investments

Fixed asset investments in quoted shares, traded bonds, investment properties and similar investments are shown initially at cost upon acquisition and at their market value at the balance sheet date at the end of the financial period.

Fixed asset investments in unlisted equities are shown at the balance sheet date at cost and subsequently measured at cost less any accumulated impairment losses, a review is undertaken at each year end as to whether the asset should be written down.

All gains on fixed asset investments, whether realised or unrealised, are included in the Statement of Financial Activities.

b) Tangible fixed assets

Fixed assets costing more than £500 are capitalised and valued at historic cost except for items individually below threshold but included in a project whose overall cost is greater than £500.

Tangible fixed assets are measured at their original cost value. Cost value includes all costs expended in bringing the asset into its intended working condition.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over their estimated useful lives.

Leasehold premises	over the length of the lease
Fixtures and Fittings	over the length of the lease
Research, office and computer equipment	between 10% and 25%

c) Stocks and work in progress

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Donated items sourced from both individuals and organisations are not included in the financial statements until they are sold.

d) Debtors

Debtors are measured at their recoverable amounts at the balance sheet date.

e) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their transaction amount.

1 Accounting policies (continued)

f) Financial instruments including cash and bank balances

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Cash held by the charity is included at the amount actually held and counted at the year end. Bank balances, whether in credit or overdrawn, are shown at the amounts properly reconciled to the bank statements.

All financial assets and liabilities are measured at cost.

g) Leasing

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

h) Pensions - defined contribution schemes

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the company.

i) Charitable commitments

Commitments that are legally binding on the trustees are accounted for as a resource expended in the SOFA. Where the intention of financial support is not binding on the trustees, such intentions are not accrued for but are disclosed separately in a note to the accounts.

j) Branch Offices

The Charity carries out some activities through offices that use the same name as the Charity, raise funds for the Charity and receive support from the Charity through advice and publicity materials. All transactions are accounted for gross in the accounts and all assets and liabilities are included in the Charity's balance sheet.

k) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

l) Consolidation

Roy Castle Retail Ltd (Company number 03604677), Roy Castle Trading Ltd (Company number 03909935), and Cut Films Limited (Company number 07313137) are controlled by the Roy Castle Lung Cancer Foundation and are consolidated in these accounts on a line by line basis.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Estimate of Dilapidation Accrual:

Dilapidations are accrued for on the basis of historical costs incurred as a proportion of rental values paid and realistic expectation following an internal review of the property. These assumptions are reviewed on an annual basis. A balance of £55k in accruals was released in 2019 with a new balance of £45k remaining in accruals at 31 December 2019. This £45k provision is made up of £9.5k in relation to head office and £35.5k in relation to the shops.

Recoverability of group Debts:

Group debt is reviewed annually and any amounts deemed irrecoverable are provided for in the Charity only accounts. At 31 December 2019 there were no group debts deemed irrecoverable and all intercompany balances were accounted for on consolidation.

Estimate of Stock Loss Accrual:

Stock Losses are accrued for and estimated for on basis the of the level of stock losses and markdowns historically experienced in the business. The provision is accrued for on a straight line basis over the year and actual losses set off against the provision following physical stock checks. There was a balance of £14k accrued as at December 2019.

3 Liability to taxation

As a registered charity, the organisation is exempt from income and corporation tax to the extent that its income and gains are applied towards the charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity and is therefore included in the relevant costs in the Statement of Financial Activities.

Value Added Tax is recoverable by Roy Castle Retail Ltd and Cut Films Ltd, it is therefore not reported or included in the costs or income figures of these companies or consolidated into the group accounts.

4 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

5 Net income/(expenditure) before tax in the financial year for the group

	2019 £	2018 £
The net income/(expenditure) before tax in the financial year is stated after charging:-		
Depreciation of fixed assets	66,083	75,262
Operating leases	547,916	595,527
	<u>614,000</u>	<u>670,791</u>

5 Net income/(expenditure) before tax in the financial year for the group (continued)

Fees payable to the group's auditor:	2019	2018
	£	£
For audit services		
Audit of the financial statements of the group and charity	19,250	18,350
	<u>19,250</u>	<u>18,350</u>
Taxation compliance services	3,975	2,775
All other non-audit services	7,725	7,360
	<u>11,700</u>	<u>10,135</u>

6 Interest payable	2019	2018
	£	£
Bank interest payable	757	711
	<u>757</u>	<u>711</u>

7 The contribution of volunteers

The Charity has significant support from volunteers in all our activities. Currently we have 525 volunteers registered with us (2018: 426), and they regularly support us in the Foundations' shops, smoking cessation service, administration and in fundraising. In total volunteers contribute an estimated 51,975 hours per year (2018: 42,174) which is the equivalent to over 29 full-time employees (2018: 24).

The charity does not recognise in financial terms in the accounts the valuable contribution of our volunteers.

8 Staff costs and emoluments

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Gross salaries	2,049,547	1,945,005	1,106,621	1,050,746
Employer's National Insurance	140,612	138,085	95,891	93,069
Employer's Pension	46,129	34,885	32,514	25,542
	<u>2,236,288</u>	<u>2,117,984</u>	<u>1,235,026</u>	<u>1,169,357</u>

The average number of staff deployed in different activities in the group in the year was:-

	2019	2018
	£	£
Engaged on charitable activities	25	21
Engaged on fundraising activities	16	13
Engaged on management and administration	10	14
Engaged on retail activities	86	84
	<u>138</u>	<u>132</u>

8 Staff costs and emoluments (continued)

The average number of staff in charity only in the year was 49 (2018: 46).

The number of employees whose emoluments including taxable benefits but excluding employer's pension contributions fall into the following bands were :-

	2019 £	2018 £
£60,001 to £70,000 (Group and charity)	1	1
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>
 Chief Executive Officer/ Highest paid employee	 2019 £	 2018 £
The remuneration in the year was	69,000	60,887
Pension contributions paid by the employer	4,235	3,028
	<u>73,235</u>	<u>63,915</u>
Total remuneration package included in total salaries above	<u><u>73,235</u></u>	<u><u>63,915</u></u>

9 Remuneration and payments to Trustees and persons connected with them

No trustees or persons connected with them received any remuneration from the charity, or any related entity.

Trustees were reimbursed expenses incurred which amounted to £1,574 (2018: £2,376) in relation to travel expenses.

Roy Castle Lung Cancer Foundation

Notes to the Consolidated Accounts for the year ended 31 December 2019

10 Donations and Legacies - Consolidated	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Donations and gifts from individuals				
Donations	13,771	-	13,771	17,990
Employee Fundraising	-	-	-	6,946
Individual Giving	397,593	-	397,593	381,118
Payroll Giving	115,886	-	115,886	107,559
	<u>527,250</u>	<u>-</u>	<u>527,250</u>	<u>513,613</u>
Legacies receivable				
Legacies receivable	479,412	-	479,412	338,411
	<u>1,006,662</u>	<u>-</u>	<u>1,006,662</u>	<u>852,024</u>
Revenue grants and donations from non-public bodies				
Corporate Grants	130,419	875	131,294	173,062
Trusts	82,890	46,988	129,878	107,763
	<u>213,309</u>	<u>47,863</u>	<u>261,172</u>	<u>280,825</u>
Sponsorship				
Pause for Hope	-	5,872	5,872	2,237
Sponsorship	2,591	375,756	378,347	353,428
	<u>2,591</u>	<u>381,628</u>	<u>384,219</u>	<u>355,665</u>
In Memoriam				
In Memoriam	122,826	64,186	187,012	160,277
	<u>122,826</u>	<u>64,186</u>	<u>187,012</u>	<u>160,277</u>
Gift Aid on Donations				
Gift Aid on Donations	213,994	-	213,994	105,366
	<u>213,994</u>	<u>-</u>	<u>213,994</u>	<u>105,366</u>
Total Donations and Legacies – Consolidated	<u><u>1,559,382</u></u>	<u><u>493,677</u></u>	<u><u>2,053,059</u></u>	<u><u>1,754,157</u></u>

Of the 2018 income, £1,279,814 was unrestricted and £474,343 was restricted.

11 Income from charitable activities - Consolidated

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Charitable income from funders				
SLA smoking cessation service provision – Liverpool CC	-	-	-	25,000
	-	-	-	25,000
Reimbursement				
Minor reimbursed expenses and honoraria	8,209	-	8,209	2,385
	8,209	-	8,209	2,385
Total income from charitable activities	8,209	-	8,209	27,385

Total income from charitable activities of £8,209 split by activity is split by £8,209 (2018: £2,385) research and £Nil (2018: £25,000) prevention. Of the 2018 income, £2,385 was unrestricted and £25,000 was restricted.

12 Income from other, non-charitable, trading activities - Consolidated

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Trading activities to raise funds	30,490	-	30,490	23,191
Income from fundraising events	501,302	-	501,302	467,928
Income from the sale of donated and brought in goods	2,160,630	-	2,160,630	2,050,887
Sponsorships and social lotteries which cannot be considered pure donations	7,235	-	7,235	23,158
	2,699,657	-	2,699,657	2,565,164

Total income from other non-charitable, trading activities split by activity is split by £539,027 (2018: £514,277) fundraising and £2,160,630 (2018: £2,050,887) sales of donated and related goods. All of the 2018 income was unrestricted.

Roy Castle Lung Cancer Foundation

Notes to the Consolidated Accounts for the year ended 31 December 2019

13 Investment income - Consolidated

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Property Rental Income	1,334	-	1,337	68,192
Dividend Income	33,184	-	33,184	35,442
Bank Interest Receivable	3,866	-	3,866	730
	38,386	-	38,386	104,364

All of 2018 income was unrestricted.

14 Other - Consolidated

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Consultancy and advice	5,625	401	6,026	8,627
Other income	-	-	-	55,000
	5,625	401	6,026	63,627

All of 2018 income was unrestricted.

15 Expenditure on raising funds and costs of investment management - Consolidated

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Cost of fundraising activities	39,527	-	39,527	21,688
Marketing & advertising of fundraising	16,999	-	16,999	11,028
Costs of seeking donations, grants and legacies	362	-	362	358
Cost of operating social lotteries	1,558	-	1,558	5,875
Costs of staging fundraising events	112,685	-	112,685	137,091
Costs of charity shop selling goods	2,036,418	-	2,036,418	1,883,306
Gross wages and salaries - fundraising activities	406,483	-	406,483	351,794
Temporary Staff - fundraising activities	-	-	-	1,756
Other Direct Costs - fundraising Activities	177,609	-	177,609	160,486
Staff Training & Welfare - fundraising Activities	3,533	-	3,533	6,124
Travel and Subsistence - fundraising Activities	12,023	-	12,023	9,915
	2,807,197	-	2,807,197	2,589,421

Of the 2018 expenditure £2,589,421 was unrestricted.

Roy Castle Lung Cancer Foundation

Notes to the Consolidated Accounts for the year ended 31 December 2019

16 Expenditure on charitable activities - Consolidated

	Note	Staff Costs 2019 £	Other 2019 £	Total Funds 2019 £	Total Funds 2018 £
Direct spending					
Restricted		-	295,957	295,957	39,594
Unrestricted		251,380	149,354	400,734	767,853
		<u>251,380</u>	<u>445,311</u>	<u>696,691</u>	<u>807,447</u>
Grant funding					
Individual grants		-	-	-	68,200
Organisation grants	26	-	401,430	401,430	547,260
Staff costs		31,679	-	31,679	31,195
		<u>31,679</u>	<u>401,430</u>	<u>433,109</u>	<u>646,655</u>
Support costs (all unrestricted)					
Staff costs		596,453	-	596,453	574,403
Premises costs		-	63,492	63,492	110,047
Legal and professional costs		-	35,205	35,205	(9,981)
Financial		-	41,739	41,739	78,648
Other		-	105,729	105,729	77,902
		<u>596,453</u>	<u>246,165</u>	<u>842,618</u>	<u>831,019</u>
Governance costs:					
Audit fees		30,000	6,000	36,000	30,917
		<u>909,512</u>	<u>1,098,906</u>	<u>2,008,418</u>	<u>2,316,038</u>

Of the £2,008,418 (2018: £2,316,038) expenditure £516,308 (2018: £414,781) related to restricted funds and was all categorised as other expenditure.

17 Summary of charitable costs by activity - Consolidated

	Direct costs	Support costs	Grant funding of activities	Governance	Total 2019	Total 2018
Research	356,675	298,427	433,109	12,750	1,100,961	1,317,820
Support	332,716	228,209	-	9,750	570,675	809,499
Prevention	7,300	315,982	-	13,500	336,782	188,719
	<u>696,691</u>	<u>842,618</u>	<u>433,109</u>	<u>36,000</u>	<u>2,008,418</u>	<u>2,316,038</u>

18 Donations and Legacies - Charity only

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Donations and gifts from individuals				
Donations	-	-	-	11,326
Employee Fundraising	-	-	-	6,946
Individual Giving	397,593	-	397,593	381,118
Payroll Giving	115,886	-	115,886	107,559
	<u>513,479</u>	<u>-</u>	<u>513,479</u>	<u>506,949</u>
Legacies receivable				
Legacies receivable	479,412	-	479,412	338,411
	<u>479,412</u>	<u>-</u>	<u>479,412</u>	<u>338,411</u>
Revenue grants and donations from non-public bodies				
Corporate Grants	130,419	875	131,294	173,062
Trusts	82,890	46,988	129,878	107,763
	<u>213,309</u>	<u>47,863</u>	<u>261,172</u>	<u>280,825</u>
Sponsorship				
Pause for Hope	-	5,872	5,872	2,237
Sponsorships	(4,259)	375,756	371,756	349,428
	<u>(4,259)</u>	<u>381,628</u>	<u>377,369</u>	<u>351,666</u>
In Memoriam				
In Memoriam	119,288	64,186	183,474	154,932
	<u>119,288</u>	<u>64,186</u>	<u>183,474</u>	<u>154,932</u>
Gift Aid on Donations				
Gift Aid on Donations	637,643	-	637,643	527,781
	<u>637,643</u>	<u>-</u>	<u>637,643</u>	<u>527,781</u>
	<u>637,643</u>	<u>-</u>	<u>637,643</u>	<u>527,781</u>
Total Donations and Legacies - Charity	<u>1,958,872</u>	<u>493,677</u>	<u>2,452,549</u>	<u>2,160,564</u>

Of the 2018 income, £1,686,221 was unrestricted and £474,343 was restricted.

Roy Castle Lung Cancer Foundation

Notes to the Consolidated Accounts for the year ended 31 December 2019

19 Income from charitable activities - Charity only

	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019	Total Funds 2018
Reimbursement				
Minor reimbursed expenses and honoraria	8,209	-	8,209	2,385
	<u>8,209</u>	<u>-</u>	<u>8,209</u>	<u>2,385</u>
Total income from charitable activities	<u>8,209</u>	<u>-</u>	<u>8,209</u>	<u>2,385</u>

Total income from charitable activities all related to prevention. All of 2018 income was unrestricted.

20 Income from other, non-charitable, trading activities - Charity only

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Income from fundraising events	89,726	-	89,726	110,437
Sponsorships and social lotteries which cannot be considered pure donations	6,388	-	6,388	21,817
	<u>96,114</u>	<u>-</u>	<u>96,114</u>	<u>132,254</u>

Total income from other non-charitable, trading activity split by activity all related to fundraising activities. All of the 2018 income was unrestricted.

21 Investment income - Charity Only

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Property Rental Income	1,801	-	1,801	27,416
Dividend Income	33,184	-	33,184	35,442
Bank Interest Receivable	4,777	-	4,777	1,413
	<u>39,762</u>	<u>-</u>	<u>39,762</u>	<u>64,271</u>

All of 2018 income was unrestricted.

Roy Castle Lung Cancer Foundation

Notes to the Consolidated Accounts for the year ended 31 December 2019

22 Other - Charity

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Consultancy and advice	5,625	401	6,026	8,627
Other income	-	-	-	55,000
	<u>5,625</u>	<u>401</u>	<u>6,026</u>	<u>63,627</u>

All of 2018 income was unrestricted.

23 Expenditure on raising funds and costs of investment management - Charity only

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Cost of fundraising activities	16,210	-	16,210	12,512
Marketing & advertising of fundraising	16,999	-	16,999	11,028
Costs of seeking donations, grants and legacies	362	-	362	358
Cost of operating social lotteries	1,558	-	1,558	5,875
Costs of staging fundraising events	23,641	-	23,641	47,416
Gross wages and salaries - fundraising activities	406,483	-	406,483	351,794
Temporary Staff - fundraising activities	-	-	-	1,756
Other Direct Costs - Fundraising Activities	169,339	-	169,339	150,524
Staff Training & Welfare - Fundraising Activities	3,533	-	3,533	6,124
Travel and Subsistence - Fundraising Activities	12,023	-	12,023	9,910
	<u>650,148</u>	<u>-</u>	<u>650,148</u>	<u>597,297</u>

All of the 2018 expenditure was unrestricted.

24 Expenditure on charitable activities - Charity

	Note	Staff costs 2019 £	Other 2019 £	Total Funds 2019 £	Total Funds 2018 £
Direct spending					
Restricted		-	295,957	295,957	11,797
Unrestricted		251,890	141,544	393,434	652,296
		<u>251,890</u>	<u>437,501</u>	<u>689,391</u>	<u>664,093</u>
Grant funding					
Individual grants		-	-	-	68,200
Organisation grants	26	-	401,430	401,430	547,260
Staff costs		31,679	-	31,679	31,195
		<u>31,679</u>	<u>401,430</u>	<u>433,109</u>	<u>646,655</u>
Support costs (all unrestricted)					
Staff costs		596,453	-	596,453	574,403
Premises costs		-	63,492	63,492	106,159
Legal and professional costs		-	35,205	35,205	(9,994)
Depreciation/interest		-	867	867	34,226
Other - admin		-	105,729	105,729	76,700
		<u>596,453</u>	<u>205,293</u>	<u>801,746</u>	<u>781,494</u>
Governance costs:					
Audit fees		30,000	-	30,000	20,004
		<u>910,022</u>	<u>1,044,224</u>	<u>1,954,246</u>	<u>2,112,246</u>

Of the £1,954,246 (2018: £2,112,246) expenditure £516,308 (2018: £386,984) related to restricted funds and was categorised as other expenditure.

25 Summary of charitable costs by activity – Charity only

	Direct costs	Support costs	Grant funding of activities	Governance	Total 2019	Total 2018
Research	356,675	283,952	433,109	10,625	1,084,361	1,286,015
Support	332,716	217,139	-	8,125	557,980	784,047
Prevention	-	300,655	-	11,250	311,905	42,184
	<u>689,391</u>	<u>801,746</u>	<u>433,109</u>	<u>30,000</u>	<u>1,954,246</u>	<u>2,112,246</u>

26 Breakdown of Grants to organisations

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
University of Liverpool	37,331	1,903	39,234	146,217
University College London	91,266	54,300	145,566	180,731
Kings College London	-	-	-	28,000
University of Nottingham Leeds	41,890 24,991	7,984	49,874 24,991	24,038 -
Nottingham Lung Health Nottingham	- -	- -	- -	102,000 20,000
Cambridge	-	-	-	75,876
Bristol	-	-	-	(3,210)
Southampton	-	-	-	(41)
Wessex Cancer Alliance & Southampton	-	65,000	65,000	-
University of Manchester	-	-	-	(25,004)
GLCC Bibliometric Research	-	26,000	26,000	-
GLCC Social Media Research	-	50,765	50,765	-
University of Sheffield	-	-	-	(1,347)
	195,478	205,952	401,430	547,260

In 2018 £521,260 was unrestricted and £26,000 was restricted. Some of the balances above are negative as grants were not utilised in full.

27 Investment gains

Group	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Listed investments – Realised gains	24,489	-	24,489	74,235
Listed investments – Unrealised gains/(losses)	91,618	-	91,618	(130,980)
Total realised and unrealised gains	116,107	-	116,107	(56,745)

All the gains on investments in 2018 were unrestricted.

Funds Charity Only	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Listed investments – Realised gains	24,489	-	24,489	74,235
Listed investments – Unrealised gains/(losses)	91,618	-	91,618	(130,980)
Total realised and unrealised gains	116,107	-	116,107	(56,745)

All the gains on investments in 2018 were unrestricted.

Roy Castle Lung Cancer Foundation

Notes to the Consolidated Accounts for the year ended 31 December 2019

28 Tangible fixed assets				
Group	Leasehold land and buildings £	Fixtures and fittings £	Research office and computer equipment £	Group total £
Cost				
At 1 January 2019	577,139	272,204	435,302	1,284,645
Additions	12,842	37,012	47,727	97,581
Disposals	-	-	(13,358)	(13,358)
At 31 December 2019	589,981	309,216	469,671	1,368,868
Depreciation				
At 1 January 2019	548,512	187,213	390,445	1,126,170
Charge for the year	9,202	25,120	31,761	66,083
Eliminated on disposal	-	-	(12,266)	(12,266)
At 31 December 2019	557,714	212,333	409,940	1,179,987
Net book value				
At 31 December 2019	32,267	96,883	59,731	188,881
At 31 December 2018	28,627	84,991	44,857	158,475
Charity Only	Leasehold land and buildings £	Fixtures and fittings £	Research office and computer equipment £	Total £
Cost				
At 1 January 2019	6,783	43,844	312,028	362,655
Additions	-	-	29,366	29,366
At 31 December 2019	6,783	43,844	341,394	392,021
Depreciation				
At 1 January 2019	3,180	20,027	282,794	306,001
Charge for the year	342	6,021	19,094	25,457
At 31 December 2019	3,522	26,048	301,888	331,458
Net book value				
At 31 December 2019	3,261	17,796	39,506	60,563
At 31 December 2018	3,603	23,817	29,234	56,654

29 Investments held as fixed assets by the Parent Company

	Investments in Subsidiary undertakings £	Listed investments £	Total £
Carrying values of investments			
At 1 January 2019	129,597	1,021,341	1,150,938
Additions	-	153,036	153,036
Cash movement	-	(28,816)	(28,816)
Disposals	(2)	(70,661)	(70,659)
Revaluation at 31 December 2019	-	91,612	91,612
At 31 December 2019	<u>129,595</u>	<u>1,166,512</u>	<u>1,296,107</u>

Analysis between historical cost and revaluation based on market value

Investments as above historical cost	<u>129,595</u>	<u>886,604</u>	<u>1,016,201</u>
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Analysis of types of investments:

	2019	2018
Cash	123,901	152,718
Listed investments	<u>1,042,611</u>	<u>868,623</u>
	<u>1,166,512</u>	<u>1,021,341</u>

Analysis of investments in subsidiary undertakings by the Parent Company, The Roy Castle Lung Cancer Foundation

	Included at Historical cost, less write down £
Loans to group undertakings	129,592
Equity investment in group undertakings	3
	<u>129,595</u>
Analysis of equity investments:	
Investments cost	3
	<u>3</u>

The company holds 20% or more of the share capital of the following companies:

Company	Shares held Class	Direct %
Cut Films Limited	Ordinary	100
Roy Castle Retail Limited	Ordinary	100
Roy Castle Trading Limited	Ordinary	100

30 Subsidiary companies

The Charity has three wholly owned subsidiaries:

Three trading Subsidiaries

Roy Castle Retail Ltd - Company number: 03604677
 Roy Castle Trading Ltd - Company number: 03909935
 Cut Films Ltd – Company number 07313137

Principle Activities

Retail Charity Shops
 Charity and Charitable Events
 Provision of Charity Youth Projects

Where liability is limited by shareholding the amount of the holding company's investment in each subsidiary is £2, which represents 100% of the issued ordinary share capital of each subsidiary. In all cases the subsidiary is controlled by the holding company by virtue of the power to appoint directors to the board of the subsidiary.

All companies are incorporated in England and Wales and are exempt from audit.

The subsidiary's activities relate to those of the holding company in that the subsidiary is a trading enterprise engaging in trades similar to the charitable activities of the holding company and donates its entire taxable trading profit to the holding company by way of gift aid.

Dissolved Trading Subsidiaries

Roy Castle Clean Air Ltd - Company number: 05748774
 Roy Castle Patient Support Ltd - Company number: 06149309 - Charity number: 1125191 (formerly known as Roy Castle Patient Care Ltd).
 The Cut Films Project Ltd – Company number: 06848267 – Charity number 1129367

All companies were dissolved on 15th January 2019 and the ownership of The Cut Films Project's trading subsidiary Cut Films Ltd was passed in entirety to the Roy Castle Lung Cancer Foundation Ltd.

A summary of the financial statements of the subsidiaries is:-

	2019	2018
	£	£
Assets and Funds		
Aggregate amount of assets	628,425	971,665
Aggregate amounts of liabilities	(929,637)	(751,004)
	<u>(301,212)</u>	<u>220,661</u>
Profit and Loss		
Turnover net of VAT	2,704,205	2,577,316
Expenses net of VAT	(2,208,175)	(2,150,530)
	<u>496,030</u>	<u>426,786</u>
Net profit for the year before tax	496,030	426,786
Interest Paid	(911)	(893)
Gift Aid Payments made to holding company	(534,156)	(513,331)
	<u>(39,037)</u>	<u>(87,438)</u>
Net (loss) for the year after tax and gift aid	(39,037)	(87,438)
	<u><u>(39,037)</u></u>	<u><u>(87,438)</u></u>
	Note	
		2019
		£
		2018
		£
Restricted funds retained within charitable subsidiaries	39	40,208
		<u><u>40,208</u></u>

Roy Castle Lung Cancer Foundation

Notes to the Consolidated Accounts for the year ended 31 December 2019

31 Stock	2019	Group		Charity Only	
		2018 £	2019 £	2018 £	£
Stocks		92,293	80,209	12,722	8,071
		92,293	80,209	12,722	8,071

Costs of stock included in the statement of financial activities amounted to £100,802 (2018: £131,668).

Analysis of the value of stock by activity

Activity	Group		Charity Only	
	2019 £	2018 £	2019 £	2018 £
Fundraising activities	12,722	8,071	12,722	8,071
Stocks for Sales of donated and related Goods	79,571	72,138	-	-
	92,293	80,209	12,722	8,071

32 Debtors	Group		Charity Only	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	78,997	51,813	20,513	4,446
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	-	425,235	457,936
Prepayments and accrued income	354,916	317,597	167,569	141,163
Other debtors	37,131	33,525	14,448	14,630
	471,044	402,935	627,765	618,175

Roy Castle Lung Cancer Foundation

Notes to the Consolidated Accounts for the year ended 31 December 2019

33 Creditors: amounts falling due within one year	Group		Charity Only	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	192,526	168,661	154,463	146,401
Accruals	233,884	256,314	147,031	133,295
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	-	-	-
PAYE, NIC VAT and other taxes	45,767	43,050	45,767	43,050
Other creditors	637,888	657,223	640,245	659,519
	<u>1,110,065</u>	<u>1,125,248</u>	<u>987,506</u>	<u>982,265</u>

The is a debenture in place dated 11 April 2001 in Roy Castle Retail Limited over leasehold property of the company by Barclays Bank plc.

There is a cross guarantee between Roy Castle Retail Limited and Roy Castle Lung Foundation that relates to a loan of £129k.

34 Analysis of changes in net funds

Group	01/01/2019	Cash flows	Market value	31/12/2019
	£	£	movements £	£
Cash at bank and in hand	552,820	(165,126)	-	387,694
	<u>552,820</u>	<u>(165,126)</u>	<u>-</u>	<u>387,694</u>
Charity	01/01/2019	Cash flows	Market value	31/12/2019
	£	£	movements £	£
Cash at bank and in hand	288,296	(43,707)	-	244,589
	<u>288,296</u>	<u>(43,707)</u>	<u>-</u>	<u>244,589</u>

35 Charitable commitments not recognised as provisions or commitments in the accounts

The charity operates an open grants process for Research Grants, some grant applications extend beyond one year, however the charity has an annual review policy for grants that extend beyond one year, with the ability to terminate the grant should it not meet its objectives. Grant costs are accrued into the accounts up to the review date of each grant as this forms the contractual obligation.

There is therefore £190,983 (2018: £209,000) of awards that are contingent on the grants meeting their criteria that would then fall across the next two subsequent years accounts.

At the year end the group had total outstanding commitments under non-cancellable operating leases as set out below:	2019 £	2018 £
Operating leases which expire:		
within one year	531,416	602,773
within two to five years	1,411,373	1,433,244
in over five years	475,750	460,000
	<u>2,418,539</u>	<u>2,496,017</u>

At the year end the charity had total outstanding commitments under non-cancellable operating leases as set out below:	2019 £	2018 £
Operating leases which expire:		
within one year	67,616	122,647
within two to five years	187,848	96,339
	<u>255,464</u>	<u>218,986</u>

36 Related party transactions

The senior management team as identified in the Trustees Annual Report received a total of £307,313 in salaries (2018: £287,533).

Balances held with subsidiary companies of Roy Castle Lung Cancer Foundation in the year were as follows:

	2019 £	2018 £
Included in debtors:	425,235	457,936
Included in creditors:	-	-
Interest charged on balances:	911	683
	<u>425,235</u>	<u>457,936</u>

The movement in the amount due to the charity relates to amounts advanced in the year of £2,080,018 and amounts credited in the year of £2,151,379.

37 Related party transactions with Trustees

Transactions of £20,952 (2018: £43,965) occurred in the year with a close family member of one of the trustees, Paula Chadwick (Chief Executive of the Charity), these transactions were in respect of work on the dilapidation refurbishment of the old premises. No balance was outstanding at the year end (2018: £Nil).

38 Particulars of how particular funds are represented by assets and liabilities

Group

At 31 December 2019	Unrestricted funds £	Restricted funds £	Total funds £
Tangible Fixed Assets	188,881	-	188,881
Fixed asset investments	1,166,512	-	1,166,512
Current Assets	477,379	473,652	951,031
Current Liabilities	(1,110,065)	-	(1,110,065)
	722,707	473,652	1,196,359

Charity

At 31 December 2019	Unrestricted funds £	Restricted funds £	Total funds £
Tangible Fixed Assets	60,563	-	60,563
Fixed asset investments	1,296,107	-	1,296,107
Current Assets	451,630	433,446	885,076
Current Liabilities	(987,504)	-	(987,504)
	820,796	433,446	1,254,242

Group

At 31 December 2018	Unrestricted funds £	Restricted funds £	Total funds £
Tangible Fixed Assets	158,475	-	158,475
Fixed asset investments	1,021,338	-	1,021,338
Current Assets	540,082	495,882	1,035,964
Current Liabilities	(1,125,248)	-	(1,125,248)
	594,647	495,882	1,090,529

Charity

At 31 December 2018	Unrestricted funds £	Restricted funds £	Total funds £
Tangible Fixed Assets	56,654	-	56,654
Fixed asset investments	1,150,938	-	1,150,938
Current Assets	458,866	455,676	914,542
Current Liabilities	(982,265)	-	(982,265)
	684,193	455,676	1,139,869

39 Change in total funds over the year as shown in Note 38, analysed by individual funds

Group	Funds brought forward 2019 £	Income £	Expenditure £	Funds carried forward 2019 £
Unrestricted and designated funds:-				
Group Unrestricted Funds	594,647	4,311,260	(4,183,200)	722,707
Total unrestricted and designated funds	594,647	4,311,260	(4,183,200)	722,707
Charity Restricted Funds				
Sundry RCF Restricted Reserves	147,946	216,322	(177,276)	186,992
GLCC	308,274	277,756	(339,032)	246,998
Boehringer Ingelheim Awareness Project	(546)	-	-	(546)
Subsidiary Restricted Funds				
Cut Films Restricted Reserves	40,208	-	-	40,208
Total restricted funds	495,882	494,078	(516,308)	473,652
Total Group Funds	1,090,529	4,805,338	(4,699,508)	1,196,359

Included in the expenditure above are gains on investments of £116,107 in unrestricted funds.

Restricted Funds

Boehringer Ingelheim Awareness Project	To fund lung cancer awareness for individuals
Cut Films Restricted Reserves	To stimulate discussion amongst young people about the issue of smoking.
Sundry RCF Restricted Reserves	To fund lung cancer research for individuals
GLCC	To fund lung cancer research for individuals

Charity only

Charity only	Funds brought forward 2019 £	Income £	Expenditure £	Funds carried forward 2019 £
Unrestricted and designated funds:-				
Unrestricted revenue funds	684,193	2,108,582	(1,971,979)	820,796
Total unrestricted and designated funds	684,193	2,108,582	(1,971,979)	820,796
RCF Restricted funds:-				
Research - GLCC	308,274	277,756	(339,032)	246,998
Research - others	147,402	216,322	(177,276)	186,448
Total restricted funds	455,676	494,078	(516,308)	433,446
Total Charity Funds	1,139,869	2,602,660	(2,488,287)	1,254,242

Included in the expenditure above are gains on investments of £116,107 in unrestricted funds.

39 Change in total funds over the year as shown in Note 38, analysed by individual funds (continued)

Group	Funds brought forward 2018 £	Income £	Expenditure £	Funds carried forward 2018 £
Unrestricted and designated funds:-				
Group Unrestricted Funds	1,126,716	4,015,354	(4,547,423)	594,647
Total unrestricted and designated funds	1,126,716	4,015,354	(4,547,423)	594,647
Charity Restricted Funds				
Sundry RCF Restricted Reserves	78,308	235,723	(166,085)	147,946
GLCC	290,553	238,620	(220,899)	308,274
Boehringer Ingelheim Awareness Project	(546)	-	-	(546)
Subsidiary Restricted Funds				
Cut Films Restricted Reserves	43,005	25,000	(27,797)	40,208
Total restricted funds	411,320	499,343	(414,781)	495,882
Total Group Funds	1,538,036	4,514,697	(4,962,204)	1,090,529

Included in the expenditure above are gains on investments of £56,745 in unrestricted funds.

Restricted Funds

Boehringer Ingelheim Awareness Project	To fund lung cancer awareness for individuals
Cut Films Restricted Reserves	To stimulate discussion amongst young people about the issue of smoking.
Sundry RCF Restricted Reserves	To fund lung cancer research for individuals
GLCC	To fund lung cancer research for individuals

Charity only

	Funds brought forward 2018 £	Income £	Expenditure £	Funds carried forward 2018 £
Unrestricted and designated funds:-				
Unrestricted revenue funds	1,114,739	1,948,758	(2,379,304)	684,193
Total unrestricted and designated funds	1,114,739	1,948,758	(2,379,304)	684,193
RCF Restricted funds:-				
Research - GLCC	290,553	238,620	(220,899)	308,274
Research - others	77,764	235,723	(166,085)	147,402
Total restricted funds	368,317	474,343	(386,984)	455,676
Total Charity Funds	1,483,056	2,423,101	(2,766,288)	1,139,869

Included in the expenditure above are gains on investments of £56,745 in unrestricted funds.

40 Change in total funds over the year

Group	Income 2019 £	Expenditure 2019 £	Gains & Losses 2019 £	Movement in funds 2019 £
Unrestricted and designated funds:-				
Unrestricted revenue funds	4,311,260	(4,299,307)	116,107	128,060
Restricted funds:-				
Restricted Reserves	494,078	(516,308)	-	(22,230)
	4,805,338	(4,815,615)	116,107	105,830

Change in total funds over the year

Charity only	Income 2019 £	Expenditure 2019 £	Gains & Losses 2019 £	Movement in funds 2019 £
Unrestricted and designated funds:-				
Unrestricted revenue funds	2,108,582	(2,088,086)	116,107	136,603
Restricted funds:-				
Restricted Reserves	494,078	(516,308)	-	(22,230)
	2,602,660	(2,604,394)	116,107	114,373

Group	Income 2018 £	Expenditure 2018 £	Gains & Losses 2018 £	Movement in funds 2018 £
Unrestricted and designated funds:-				
Unrestricted revenue funds	4,015,354	(4,490,678)	(56,745)	(532,069)
Restricted funds:-				
Restricted Reserves	499,343	(414,781)	-	84,562
	4,514,697	(4,905,459)	(56,745)	(447,507)

44 Post balance sheet events (continued)

- The charitable group and company has received £295,000 in covid19 related retail grants through local council support backed by the government
- The charitable group and company has applied for and received in October a £200,000 CbIL loan backed by the Government.
 - This money is to act as insurance policy to protect the charitable group and company's investments, allowing the level of working capital to be maintained without the necessity to crystallise any potential losses in the charitable group and company's longer term investments and reserves should the need arise at a point when the stock market is depressed.
- Whilst the charitable group and company has attempted to minimise the effect of Covid19 on job losses there have sadly been some five redundancies made as direct result of covid19, the effect of the saving here have been supplemented by further staff losses through natural churn and in shortened working hours and voluntary pay cuts.
- As many of the medical and research staff working on our vital lung cancer research have been pulled back onto the medical front line, some research projects have been paused creating savings in expenditure.

As well as the above adjustments to the charitable group and company's cost structure, over 2020 the charitable group and company has proved itself successful in generating new and innovative income streams to replace some of the more traditional methods of raising donations

- These have included a range of new virtual and social media events generating over £140,000 including :-
 - A series of retro virtual runs based on music decades
 - A virtual quiz
 - Tapathon - a social media tap dancing event
- The charitable group and company has also been successful in obtaining around £125,000 of emergency funding from trusts and the National Lottery to help support our charitable activities during the Covid19 period which, with both diseases being respiratory, has had a direct effect on some of our work

As a result, after taking advantage of the government support itemised above, reducing costs and the successfully supplementing the charities income during 2020, the charitable group and company is now forecast to generate an estimated deficit in 2020 of circa £130,000 compared to the previously budgeted the breakeven position for 2020. The trustees have approved this position and deem it sustainable in the current circumstances and that there is no threat to the charities immediate going concern position.

After taking the latest government predictions for the reduction in size of the economy into account in assessing likely income levels, the charitable group and company has continued to take prudent actions following the initial phase of Covid19 to protect itself in this period of uncertainty and minimize the negative impact of the pandemic.

Notably, following the end of the furlough scheme, staff have voluntarily agreed to a reduction of hours for 2021, which will create a saving of £150,000 against previous years costs and as a result of this and other actions taken the budget for 2021 shows a similar position to the forecast 2020 outturn. The Trustees do not believe that the post balance sheet event had any impact on any figures within the 31 December 2019 financial statements.